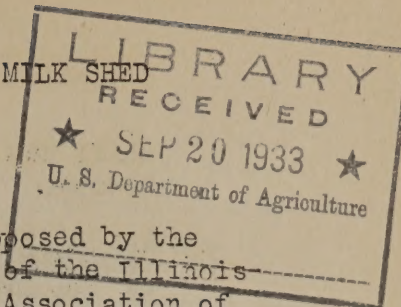


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Quad Cities
PROPOSED MARKETING AGREEMENT FOR MILK --QUAD CITY MILK SHED



Tentative Marketing Agreement drafted and proposed by the Midwest Non-Stock Co-Operative Dairies, on behalf of the Illinois-Iowa Milk Producers Association and the Quad City Association of Milk Dealers submitted for public hearing before the Secretary of Agriculture at Washington, D. C.

We submit herewith Marketing Agreement proposed and drafted by MIDWESTERN NON-STOCK CO-OPERATIVE DAIRIES representing 10,000 producers, and ILLINOIS-IOWA MILK PRODUCERS ASSOCIATION, member of said Midwest Non-Stock Co-operative Dairies and representing 500 milk producers in the Quad Cities Milk Shed, and the QUAD CITY CONTRACTING MILK DEALERS whose names appear below, said dealers representing over 70% of the milk sold as pasteurized milk in the Quad Cities and its environs and 75% of all fluid milk sold in said cities.

MARKETING AGREEMENT

As used in this agreement, the following words and phrases shall be defined as follows:

- A. "Contracting Producers" means the Midwest Non-Stock Co-operative Dairies and Illinois-Iowa Milk Producers Association, and such other producers and associations of producers of fluid milk sold or consumed in the Quad Cities Area as hereinafter defined as may become parties signatory to this Agreement according to the terms thereof.
- B. "Contracting Milk Dealers" means such distributors and/or processors of "fluid milk" in the Quad Cities Area as may become parties signatory to this agreement according to the terms thereof.
- C. "Fluid Milk" means milk and cream, and such fluid derivatives thereof as are sold by "Contracting Milk Dealers" in the Quad Cities Area.
- D. "Quad Cities Sales Area" means and includes the Cities of Davenport, Bettendorf, Buffalo, Princeton, LeClaire, Pleasant Valley, Iowa; Rock Island, Moline, East Moline, Silvis, Milan, Carbon Cliff, Coal Valley, Illinois, and contiguous towns, villages, townships and United States Government Reservations and the territory lying within 15 miles distant, air line, from the nearest point marking corporate limits of the Cities of Davenport Iowa; Rock Island, Moline and East Moline Illinois.
- E. "Quad Cities Production Area" is defined to mean and include the following area in which contracting producers reside and are engaged in the production of milk for sale in the Quad Cities Sales Area, to-wit: the territory lying within 15 miles distance, air line, from the nearest point marking corporate limits of the Cities of Davenport Iowa; Rock Island, Moline and East Moline Illinois, excepting that those farms outside the "Production Area" now producing milk for sale in the Quad Cities Sales Area

shall not be excluded therefrom by this provision until further notice.

F. "Secretary" means the Secretary or acting Secretary of Agriculture of the United States.

G. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.

THE PARTIES to this Agreement are the "Contracting Producers", and "Contracting Milk Dealers," and the "Secretary."

WHEREAS, pursuant to the "Act," the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of "fluid milk" in the Quad Cities Area, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the "Act," and

WHEREAS, "Contracting Producers" markets more than 65% of the "fluid milk" distributed and consumed in the "Quad Cities Area," and

WHEREAS, "Contracting Milk Dealers" distribute more than 75% of the "fluid milk" distributed and consumed in the "Quad Cities Area," and

WHEREAS, the marketing of "fluid milk" produced in the Quad Cities Area and distribution thereof affect and enter into both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled.

NOW THEREFORE in consideration of the promises the parties hereto agree as follows:

1. The prices at which "fluid milk" shall be sold by the "Contracting Producers" and purchased by the "Contracting Milk Dealers" for distribution or consumption in the "Quad Cities Area" shall be those set forth in Exhibit "A" which is attached hereto and made a part hereof. The prices set forth in Exhibit "A" may be changed by agreement between the "Contracting Producers" and the "Contracting Milk Dealers" provided, however, that such price changes shall become effective only upon the written approval of the Secretary.

2. The plan governing the marketing of milk shall be that set forth in Exhibit "B" which is attached hereto and made a part hereof. Such plan may be modified by agreement between the "Contracting Producers" and the "Contracting Milk Dealers" provided, however, that such price changes shall become effective only upon the written approval of the "Secretary."

3. The schedule governing the wholesale and retail prices terms and conditions under which "fluid milk" shall be distributed by the "Contracting Milk Dealers" in the Quad Cities Area shall be that defined and set forth in Exhibit "C" which is attached hereto and made a part hereof. The prices set forth in Exhibit "C" may be changed by agreement between the "Contracting Producers" and the "Contracting Milk Dealers" provided, however, that such price changes shall become effective only upon the written approval of the Secretary.

4. The "Contracting Milk Dealers" agree that they will not purchase "fluid milk" from any producer not a member of the Illinois-Iowa Milk Producers Association, or a member of some other established incorporated milk producers association, unless such producer authorizes the purchasing "Contracting Milk Dealers" to pay to the MIDWEST NON-STOCK CO-OPERATIVE DAIRIES 4 cents per hundred pounds of milk purchased and said purchasing "Contracting Milk Dealers" shall pay said sum to the MIDWEST NON-STOCK CO-OPERATIVE DAIRIES not later than the 10th of each month succeeding the month that said sum shall become due. The payment of said sum is for the purpose of securing to said producers not members of the Association, benefits similar to those secured by the members of the Association and further to partly compensate said MIDWEST NON-STOCK CO-OPERATIVE DAIRIES, for expenses incurred by it, and time spent by its officers, in promulgating such activities, including enforcement of this agreement and educational propaganda and advertising as may promote the advancement of, and secure benefits to, the milk industry as a whole.

5. The "Contracting Milk Dealers" agree to contribute one-half cent per each one hundred pounds of whole, fluid milk purchased by them and similarly to collect from the producers supplying them with whole, fluid milk one-half cent per one hundred pounds of milk sold to them. Said two amounts, totaling one cent per one hundred pounds, are to be paid to the MIDWEST NON-STOCK CO-OPERATIVE DAIRIES, not later than the 10th day of the calendar month for all milk purchased during the previous calendar month. The fund so collected shall be used in the "Quad Cities Area" for the purposes described in paragraph 4 above.

6. All producers of "fluid milk" now selling their product in the "Quad Cities Area" and the marketing of whose milk is not prohibited by the health laws and ordinances applicable to the marketing of milk in said areas, shall as heretofore be permitted, as far as marketing conditions may allow, to become members of and/or sell through the Illinois-Iowa Milk Producers Association on an equal basis with existing producers similarly situated.

7. The "Contracting Producers" and the "Contracting Milk Dealers" shall, as and to the extent required by the "Secretary," severally maintain systems of accounting which shall be satisfactory to the "Secretary" and their respective books and records shall be subject to his examination during the usual hours of business and they shall severally from time to time furnish to the "Secretary" on and in accordance with forms to be supplied by the Department of Agriculture, such information as the "Secretary" may request.

8. The Schedule of Fair Practices set forth in exhibit "D", which is attached hereto and made a part hereof, shall be the Schedule of Fair Practices for the Quad Cities Area. Exhibit "D" may be changed by agreement between the contracting distributors, provided that any change shall become effective only upon the written approval of the Secretary.

9. The standards governing the production, receiving, transportation, processing, bottling and distributing of "fluid milk" sold or distributed in the "Quad Cities Area" shall be those established from time to time by the Health Ordinance of the respective cities and towns in the area.

10. This agreement shall be effective at such time as the Secretary may declare above his signature attached hereto; and this agreement shall con-

time in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that--

(a) The Secretary may (and upon request of 75 percent of the contracting producers or upon request of 75 percent of the contracting milk dealers, such percentages to be measured by the volume of milk marketed or fluid milk distributed, respectively, the Secretary shall) by press release or other notice, as the Secretary may determine, given on or before the 20th day of any month, terminate this agreement as of the end of such month.

(b) The Secretary may for good cause shown as of the end of any month terminate this agreement as to any party signatory hereto by notice in writing deposited on or before the 20th of such month in the registered mails and addressed to such party at the address of such party on file with the Secretary.

(c) This agreement shall in any event terminate whenever the President or Congress shall terminate the provisions of the act which authorizes this agreement.

11. The benefits, privileges, and immunities conferred by virtue of this agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges, and immunities conferred by virtue of this agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

12. The contracting producers and contracting milk dealers shall use their best efforts to assure the observance of the terms and conditions of this agreement by such producers and milk dealers. Subject to such regulations as the Secretary may prescribe, the contracting producers and the contracting milk dealers shall establish such agency or agencies as are necessary to (a) receive complaints as to violations by any contracting producer or contracting milk dealer of the terms or conditions of this agreement, (b) adjust disputes arising under this agreement between contracting producers and/or contracting milk dealers, (c) make findings of fact which may be published, (d) issue warnings to such persons, and (e) take such lawful measures as may be appropriate; and such agency or agencies if it or they deem it necessary, shall report its findings and action with respect thereto to the Secretary for appropriate proceedings under the act.

13. This agreement may be executed in multiple counterparts which, when signed by the Secretary, shall constitute, taken together, one and the same instrument as if all such signatures were contained in one original.

14. After this agreement first takes effect any producer or association of producers of milk for consumption as fluid milk, or any distributor of fluid milk, may become a party to this agreement if a counterpart thereof is executed by him and by the Secretary. The agreement shall take effect as to such producer or milk dealer at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such producer or milk dealer.

15. The contracting milk dealers hereby apply for and consent to licensing by the Secretary, subject to Milk Regulations, Agricultural Adjustment Administration, Series 1, prescribed by the Secretary and approved by the

President, according to the form of license and according to Milk Regulations, Agricultural Adjustment Administration, Series 1 (hereto attached, as appendix I and appendix II, respectively) and not otherwise.

IN WITNESS WHEREOF, the "Contracting Producers" and the "Contracting Milk Dealers" acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise have hereunto set their respective hands and seals this 10 day of August A.D. 1933.

Peerless Dairy Co.	1325 - 2 Ave., Rock Island, Ill.
R.A. Andert	
Side View Dairy	R#2, Davenport, Iowa.
A.B. Cainezell	
Big Island Dairy	R.R. #1, Rock Island, Ill.
W.G. Bartels	
White Rose Dairy	R.R. #5, Davenport, Iowa.
Gilbert Ruehman	
H.L. Kuehl	Davenport, Iowa
Downing Bros. Dairy	2628-24 St., Rock Island, Ill.
J. R. Downing	
Deerolf's Dairy	2507 9th St., Rock Island, Ill.
C. E. Deerolf	
Quality Dairy	1212 Harrison St., Davenport, Iowa
L. R. Yagas	
Double Y Dairy	3859 Rockingham Road, Davenport, Iowa
J. L. Howell	
N. A. Jorgensen	R.R. #2, Davenport, Iowa
J. H. Mess	R.R. #5, Davenport, Iowa
E. W. Laveny	Carbon Cliff, Ill.
Model Dairy Farms	Davenport, Iowa
Aug. A. Raelvooner	East Moline, Ill.
Rams Brothers	Davenport, Iowa
Walter Rams	
Superior Dairy Company	Davenport, Iowa
Milton Hult, Pres.	
Royal Dairy	Davenport, Iowa
C. H. Miller	
Washington Dairy Co.	Davenport, Iowa
Iowona Farms Milk Co.	Davenport, Iowa
C. L. Gord	
Swanson Dairy	Silvis, Ill.
Ruben Swanson	
Joseph Depoorter	915-42 St., Moline, Ill.
Charles De Witte	Moline, Ill.
Eric Anderson	Moline, Ill.
Bakers Dairy	Moline, Ill.
Geo. Baker	
G. W. Place	Rock Island, Ill.
Raymond Schatteman	East Moline, Ill.
Joseph Housbe	East Moline, Ill.
Edw. Adamson	Moline, Ill.
W. A. Allison	Moline, Ill.
C. A. Fish	Hillsdale, Ill.

IN WITNESS WHEREOF, the "Contracting Producers" and the "Contracting Milk Dealers" acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise have herunto set their respective hands and seals this 10 day of August A.D. 1933.

NAME	ADDRESS
R. E. Brondt	R.R. #2, Davenport, Iowa
Raymond Wiese	R.R. #5, Davenport, Iowa
Sun Set Dairy,	R.R. #5, Davenport, Iowa
Frank Willers	
Frank Cowie	Davenport, Iowa
Air Port Dairy	R.R. #3, Davenport, Iowa
William Blunk	
Kenwood Dairy	1730 W. 7 St., Davenport, Iowa
Earl Jorgenson	
Henry Siem	2409 W. Luist St., Davenport, Iowa
E. Zarn	R.R. 2, Davenport, Iowa
J. Noll	R.R. #2, Davenport, Iowa
Hy Baehnk, Jr.	R.R. #2, Davenport, Iowa
Walter Petersen	R.R. #2, Davenport, Iowa
L. Jorgenson	R.R. #2, Davenport, Iowa
E. J. Caurezell	R.R. #2, Davenport, Iowa
McClellan Park Dairy	R.R. #2, Davenport, Iowa
Arnold Kraft	
T. J. Mohorup	218 E. 29 St., Davenport, Iowa
Egger Dairy	1614 W. 4, Davenport, Iowa
P.R. Egger	
Harry Wessel	Davenport, Iowa
Charles Petersen	R.R. #2, Davenport, Iowa
John Collier	R.R. #6, Davenport, Iowa
Blackhawk Dairy	1443 W 15st, Davenport, Iowa
Tony Salidino	
Chapel Road Dairy	R.R. #6, Davenport, Iowa
A. F. Schlouner	
John A. Carlin	Walcott, Iowa
H. G. Lord	R.R #5, Davenport, Iowa
L. L. Schluensen	2537 Mardwell St., Davenport, Iowa
Hammann Bros.	R.R. #2, Davenport, Iowa
Willie Buernann	Davenport, Iowa, R.R. #3
Wm. Petersen	R.R. #3, Davenport, Iowa
Shamrock Hills Dairy	R.R. #6, Davenport, Iowa
R. P. Kluger	
Wm. H. Fruedtenicht	R.R. 5, Davenport, Iowa
Valley Garden Dairy	R.R. #1, Bittendorp, Iowa
H. N. Fisher	

IN WITNESS WHEREOF, the "Contracting Producers" and the "Contracting Milk Dealers" acting under the provisions of the Agricultural Adjustment Act, for the purpose and within the limitations herein contained, and not otherwise have hereunto set their respective hands and seals this 10th day of August A.D. 1933.

NAME	ADDRESS
Lee Nitrel	Carbon Cliff, Ill.
Standard Dairy	Moline, Ill., R.R. #1
Otto Stamp	
P. F. Cobert	Moline, Ill.
C. Woornbake	Moline, Ill.
Aotiel Saelint	Moline, Ill.
Gas De Buspere	Milan, Ill.
Meinbaugh Dairy	Coal Valley, Ill.
Philipp De Baillie	Coal Valley, Ill.
Fensy Rohl	Moline, Ill.
Roy Lyong	Moline, Ill.
Arthur Sacksons	Moline, Ill.
Fred L. Strayer	Rock Island, Ill.
Sunrise Dairy	Rock Island, Ill.
W.H. Handley	
Fitzpatrick Dairy,	Rock Island, Ill.
W.H. Fitzpatrick	
Michael Bros Dairy	Davenport, Iowa
H.A. Michael	
C.W. Funk	Davenport, Iowa

IN WITNESS WHEREOF, the "Contracting Producers" and the "Contracting Milk Dealers" acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise have hereunto set their respective hands and seals this 10th day of August, A.D. 1933.

Fred A. Covenaker 44st 28 Ave. Moline, Ill.
Midwest Non-Stock Cooperative Dairies
by Otto Pfeiffer, Pres.
A. G. Davis, Treas.
Illinois Iowa Milk Producers Association
by Herman Christiansen, Gen'l. Manager.

Whereas it is provided by section 8 of the act as follows:

Sec. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power--

(2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful; PROVIDED, That no such agreement shall remain in force after the termination of this act.

And whereas due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the act and the regulations issued thereunder, and

Whereas it appears, after due consideration, that this is a marketing agreement between the Secretary and persons engaged in the handling of milk and its products within the meaning of said section in the current of interstate commerce, and effectuates the declared policy of the act, and

Whereas I herewith give notice that the uniformity in the retail prices by stores and other distributors to consumers as contained in Exhibit C is not to be regarded as a precedent for price schedules in marketing agreements for other milk sheds or future marketing agreements for the Chicago Milk Shed,--

Now, therefore, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, do hereby execute this agreement under my hand and the official seal of the Department of Agriculture in the city of Washington, District of Columbia, on this 28th day of July 1933, and, pursuant to the provisions hereof, declare this agreement to be effective on and after 12:01 p.m. eastern standard time, August 1, 1933.

Secretary of Agriculture.

EXHIBIT "A"

For the purpose of this agreement "Contracting Milk Dealers" shall be divided into three classes with regard to their method of purchasing "fluid milk". Said classes shall be as follows:

- (a) Those "Contracting Milk Dealers" who buy their total supply of "fluid milk" from the Illinois-Iowa Milk Producers Association, or from other producers by permission of the Illinois-Iowa Milk Producers Association.

- (b) Those "Contracting Milk Dealers" who buy their supply of "fluid milk" from other established associations of milk producers.
- (c) Those "Contracting Milk Dealers" who buy their supply of "fluid milk" from producers not members of any association of milk producers.
- (d) Those contracting producer-distributors who produce, bottle and distribute raw or pasteurized milk and cream.

PRICES

Class (a) "Contracting Milk Dealers" shall pay the Illinois-Iowa Milk Producers Association for all milk purchased by them according to grades and tests and according to the classes and prices for each grade and/or class as defined herein. Payments for all milk shall be made semi-monthly as follows: On the 25th day of each month payment in full shall be made for all milk delivered to "Contracting Milk Dealers" plant between the 1st and 15th days of the current month inclusive, and on the 10th day of the month next succeeding, payment in full shall be made for all milk delivered between the 16th day of the month and the last day of the month inclusive.

Class (a) "Contracting Milk Dealers" shall furnish Illinois-Iowa Milk Producers Associations with statements, upon forms mutually agreed upon and furnished by the Illinois-Iowa Milk Producers Association showing the quantities of milk and the tests of milk received by such Class (a) "Contracting Milk Dealers", and agrees that the Illinois-Iowa Milk Producers Association or its duly appointed agent or agents, may have access to its plant at all reasonable times to check sales records, for determining the amount of milk going into each class, weight and measures, butterfat tests and quality of incoming milk, same to be done at Class (a) "Contracting Milk Dealers" plant on Class (a) "Contracting Milk Dealers" equipment. The composite method of testing butterfat shall be used, with the necessary amount of fresh milk testing performed to properly check the composite samples. Class (a) "Contracting Milk Dealers" reserves the right to check the Illinois-Iowa Milk Producers Association tester at any time.

Class (b) Contracting Milk Dealers shall pay the producer for all milk purchased by them according to grades and tests and according to the classes and prices for each grade and/or class as defined herein. Payments for all milk shall be made semi-monthly as follows: On the twenty-fifth of each month payment in full shall be made for all milk delivered to contracting milk dealers' plant between the first and fifteenth days of the current month inclusive, and on the tenth day of the month next succeeding, payment in full shall be made for all milk delivered between the sixteenth day of the month and the last day of the month inclusive.

Class (c) Contracting Milk Dealers shall pay the producer for all milk purchased by them according to grade and tests and according to the classes and prices for each grade and/or class as defined herein. Payments for all milk shall be made semi-monthly as follows: On the twenty-fifth of each month payment in full shall be made for all milk delivered to contracting

milk dealers' plant between the first and fifteenth days of the current month inclusive, and on the tenth day of the month next succeeding, payment in full shall be made for all milk delivered between the sixteenth day of the month and the last day of the month inclusive.

CLASSES OF MILK

It is mutually agreed that the following classifications of milk and/or milk products shall apply on all milk and/or milk products purchased by "Contracting Milk Dealers" and the following price schedule shall be effective beginning _____, 1933.

A. Class 1 shall include all milk sold as fluid milk by "Contracting Milk Dealers" in bottles or in bulk and all milk used for fluid cream and sold in bottles or in bulk at wholesale or retail for fluid consumption.

B. Class 11 shall include all milk used for ice cream, evaporated milk, condensed milk, and/or corrage, Frisco and other cheese and other uses not included in Classes 1 and 111.

C. Class 111 shall include all milk not included in Classes 1 or 11, and which therefore must be churned into butter.

PRICES

- A. Class 1 shall be 1.58 per CWT., basis 3.5% butterfat with a differential of 3¢ for each one-tenth percent up or down of the 3.5% basis, delivered f.o.b. at Class (a) "Contracting Milk Dealers" platform.
- B. Class 11 shall be the equivalent of the average price of Chicago 92 score butter for the semi-monthly period within which the deliveries take place plus 20% per pound butterfat, f.o.b. "Contracting Milk Dealers" platform.
- C. Class 111 shall be the equivalent of the average price of Chicago 92 score butter for semi-monthly period within which the deliveries take place per pound butterfat f.o.b. "Contracting Milk Dealers" platform.

EXHIBIT "B"

RULES FOR CONTROL OF BASIC PRODUCTION

Inasmuch as the Illinois-Iowa Milk Producers Association began operating and doing business on Feb. 1st, 1933, the following method shall be used to determine each Producer's "Established Base". For the purpose of this Agreement the term "Established Base" as applied to producers selling through or by permission of the Illinois-Iowa Milk Producers Association, shall be such quantity of milk as is needed for "fluid milk" requirements by Class A "Contracting Milk Dealers". Such quantity of milk shall be equitably allotted on a

percentage basis among the producers selling through or by permission of the Illinois-Iowa Milk Producers Association according to each producers "Established Base". The "Established Base" for each producer shall be based on the average quantity of milk sold and delivered daily through or by permission of the Illinois-Iowa Milk Producers Association prior to August 1st 1933, according to the records on file in the office of said Illinois-Iowa Milk Producers Association. Such "Established Base" shall be compiled by dividing each producers' total pounds of milk sold and delivered through or by permission of the Illinois-Iowa Milk Producers Association between Feb. 1st and July 31st, 1933 both inclusive, by the number of days prior to August 1st 1933, that each respective producer began selling and delivering through or by permission of the Illinois-Iowa Milk Producers Association.

Producers who began to sell and deliver milk through or by permission of the Illinois-Iowa Milk Producers Association on and after August 1st 1933, will be allowed a base of 50% of their production each month for the first three months. After that, their base shall be determined by taking their average daily production for that three months period and subtracting from it the average of the combined percentage of Class 2 and Class 3 milk of all Class A "Contracting Milk Dealers".

The "Established Base" for producers selling to or through or by permission of any other established association of milk producers shall be allotted and fixed by the Milk Industry Board upon a percentage basis determined by the "fluid milk" requirements of Class "B" "Contracting Milk Dealers."

The "Established Base" for producers selling to Class "C" dealers, and for producer-distributors as in Class "D" of Exhibit "A", may be fixed at the discretion of the Milk Industry Board.

A Milk Industry Board shall be set up to establish a base for producers not members of the Illinois-Iowa Milk Producers Association, one by the producers not members of the Illinois-Iowa Milk Producers Association, one by the Quad Cities Milk Dealers Association.

This Board shall report to the Secretary, and shall serve without compensation.

1. A producer with a base who, as tenant, rents a farm may retain his base, and if he rents a farm for cash, the farm having no base, he is limited to his individual base.

2. A landlord who rents on shares is entitled to the entire base to the exclusion of the tenant if the landlord owns the entire herd on such farm. If cattle are owned jointly, whether in a landlord and tenant relationship or otherwise, the base will be divided between the joint owners according to the ownership of the cattle.

3. The separate bases of any landlord and his tenant or tenants may be handled as a single base.

4. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to his purchaser, provided that the entire herd is maintained for 6 months consecutively after such sale and transfer on the first farm on which such herd shall have been established.

5. A producer who moves his herd may retain his base only if there-after milk is produced by him on a farm (1) which has supplied milk for fluid milk in the "Quad Cities Area" within 1 year preceding or (2) which lies within a territory which has regularly been supplying milk as aforesaid.

6. Where a herd is dispersed for any reason without the base having been transferred with the herd, the producer must replace the herd within 45 days, if he is to retain his base.

7. Any producer may combine all bases to which he may be entitled hereunder (for example, a producer with a base who acquires another herd accompanied by a transfer of the base from the seller may combine the two bases).

8. Any producer who voluntarily ceases to market milk as fluid milk in the "Quad Cities Area" for more than 45 days shall lose his base and in the event that he resumes production he shall be treated for the purpose of these rules as if he were a new producer.

9. A producer whose average daily production for any 3 consecutive months is less than 80 percent of the amount of the base to be sold at Class 1 price will thereby establish a new base equal to such average daily production over such 3 month period.

10. Any producer who in any way changes the composition of his milk for the purpose of defeating the above rules, or for the purpose of taking advantage of the price schedule to producers as set forth in Exhibit "A", shall be penalized by receiving Class III price for all of the milk sold or delivered to a "Contracting Milk Dealer" for a period of three months from the date that any producer is found guilty of such practice.

EXHIBIT "C"

MINIMUM WHOLESALE AND RETAIL PRICES

	<u>Retail</u> From any vehicle or store	<u>Wholesale</u>	<u>Peddler</u>
MILK - 3.8% MAXIMUM BUTTERFAT CONTENT			
Gallons	36¢	27¢	
Quarts	9¢	7¢	
Pints	6¢	5¢	
1/2 Pints	4¢	3¢	

MILK - CONTAINING MORE THAN
4.0% BUTTERFAT CONTENT

Gallons	44¢	34¢
Quarts	11¢	9¢
Pints	7¢	6¢
1/2 Pints	5¢	4¢

	<u>Retail</u> From any vehicle or store	<u>Wholesale</u>	<u>Peddler</u>
CULTURED OR NATURAL BUTTERMILK CONTAINING LESS THAN 1/2 of 1% BUTTERFAT			
Gallons	20¢	15¢	
Quarts	6¢	5¢	
Pints	4¢	3¢	
1/2 Pints	4¢	2 1/2¢	
CULTURED BUTTERMILK CONTAINING 1.0% - 3.0% BUTTERFAT			
Gallons	25¢	20¢	
Quarts	8¢	7¢	
Pints	5¢	4¢	
1/2 Pints	4¢	3¢	
SKIM MILK			
Gallons	15¢	10¢	
Quarts	6¢	5¢	
VITAMIN D MILK			
Quarts	12¢	10¢	
Pints	9¢	8¢	
1/2 Pints	6¢	4¢	
CHOCOLATE MILK AND DRINK			
Gallons	45¢	40¢	
Quarts	12¢	10¢	
Pints	7¢	6¢	
1/2 Pints	4¢	3¢	
CREAM - 22% MAXIMUM BUTTERFAT CONTENT			
Gallons	\$1.50	\$1.25	
Quarts	40¢	35¢	
Pints	22¢	18¢	
1/2 Pints	11¢	9¢	
CREAM - CONTAINING 22% - 40% BUTTERFAT			
Gallons	\$ 2.50	\$2.00	
Quarts	70¢	60¢	
Pints	40¢	32¢	
1/2 Pints	20¢	16¢	

	<u>Retail</u> From any vehicle or store	<u>Wholesale</u>	<u>Peddler</u>
CULTURED SOUR CREAM - CONTAINING 18% - 22% BUTTERFAT			
Gallons	\$1.50	\$1.25	
Quarts	40¢	35¢	
Pints	22¢	18¢	
1/2 Pints	11¢	9¢	

EXHIBIT "D"

SCHEDULE OF FAIR PRACTICES

PART I

BETWEEN MILK DEALERS

Since the following practices increase the cost of distribution, thus either lowering the price to the producer or raising the price to the consumer, they are prohibited during the life of this agreement.

- (a) Bribing or subsidizing employees or others.
- (b) Inducing employees to leave the services of a competitor to the latter's temporary or permanent embarrassment or with the intent or effect of securing the trade of such competitor.
- (c) Making up or disseminating false cost statements.
- (d) Making false or disparaging statements either written or oral or circulating harmful rumors respecting the competitors products, selling price, business, financial or personal standing.
- (e) False or misleading or injurious advertising or spreading false statements by advertising printed, written or oral.
- (f) Substitution of milk products containing a higher percentage of butterfat for milk products of a lower percentage of butterfat unless a higher price is charged as specified in Exhibit "B".
- (g) Selling milk or cream with a butterfat content not enumerated in Exhibit "B".
- (h) The giving of more merchandise than the customer is charged for as a sales inducement, such as giving thirteen (13) quarts for a dozen, etc.
- (i) The giving of gratuities of merchandise or any other thing of value to any individual who is, or claims to be, in a position, confidential or otherwise, to influence others to give their patronage to the dealer.

- (j) The granting of discounts, rebates or special prices, or special inducements of any kind, except that it shall not be considered a violation to grant a discount of not more than one cent per quart to organized charities or municipal, county, state or federal public relief agencies when said milk is to be distributed to the home of the recipient.
- (k) The furnishing of equipment, signs, material, labor, or anything of value, either as a gift or a loan as an inducement to obtain new business. Signs now in use on customer's premises shall not be reconditioned, and in any event shall be removed on or before July 1, 1934. This section does not prohibit the use of counter or window stock placards advertising milk and/or (milk) products.
- (l) The giving of merchandise or any other thing of value to any organization, religious, social or philanthropic, in order to obtain or hold business.
- (m) Giving commissions, bonuses or rebates to any organization for the patronage of it's members, friends or supporters.
- (n) Purchasing of any tickets or chances of any nature in order to obtain or hold business.
- (o) Conducting exhibits or displays at fairs or places of amusements, or the placing of floats in parades, except when cooperatively conducted by the milk dealers and/or milk producers.
- (p) For a milk dealer or any of it's employees to give to any store retailing milk, cream or it's derivatives, special inducements not enjoyed by said milk dealers general trade.
- (q) To contract for or to use any container, bottle, or device or to sell any beverage including milk, which is controlled by a patent or a copyright, and which is not offered to milk dealers generally, unless the same is owned or controlled exclusively by the dealer. Existing contracts excepted, provided that such contracts be terminated within ninety days from date.
- (r) To use any bottle, can, case, device or container, the title to which is vested in another person, firm or corporation.
- (s) It shall be considered unfair practice to use special milk bottle caps, representing an increase in cost for the purpose of attracting business, on the market grades of milk and cream in Exhibit "B". Special milk bottle caps may be used on special grades or kinds of milk or milk products for which a special higher price is charged and which is chiefly used by a special group of customers.
- (t) Selling any retail customers at wholesale prices.
- (u) The use of special bottles and packages other than those already in use in the Quad Cities Area.

PART II

UNFAIR ADVERTISING METHODS, ETC.

Since the following practices increase the cost of distribution, thus either lowering the price to the producer or raising the price to the consumer, they are prohibited during the life of this agreement.

- (a) Advertising in year books, rosters, cook books, buyer's guides, hand bills, menu cards.
- (b) The buying of "leads" from any real estate firm, gas or telephone company or any similar agency.
- (c) Affiliation with organizations whose purpose it is to advertise various products co-operatively, and which are supported by various companies so advertised as exemplified by manufacturers dinners, etc.
- (d) The employment of persons or agencies other than the dealers regular drivers, relief men or other regular employees in the solicitation of retail business.
- (e) Claims as to source of supply that cannot be substantiated.
- (f) Claims of certain virtues or benefits as to its use that cannot be substantiated.
- (g) Giving or offering premiums or merchandise or money, the premiums to be determined by lottery.

PART III

CREDIT

Since the granting and extending of credit when abused adds to the cost of distribution, and may thus affect either the price to the producer or the price to the consumer, or both, the following rules shall be effective during the life of this agreement.

- (a) No retail customer or family at a given address shall be granted more than seventy (70) days credit, at the expiration of which time said consumer or family at a given address shall be sold for cash only.
- (b) No wholesale customer shall be granted more than forty (40) days credit at the expiration of which time he shall be sold for cash only; provided, however, that wholesale customers owing balances of longer duration at the effective date of this agreement, may be continued on a credit basis, if collections during any succeeding calendar month from said wholesale customers, paid on or before the tenth day of the month next following, shall be equal to or exceed the purchases during said calendar month.

- (c) No milk dealer shall make a loan of any nature to a retail or wholesale customer either to obtain or hold business on or after the effective date of this agreement.
- (d) No milk dealer shall finance or purchase any equipment nor endorse any note of any wholesale customer either to obtain or hold his business.

PART IV

GENERAL

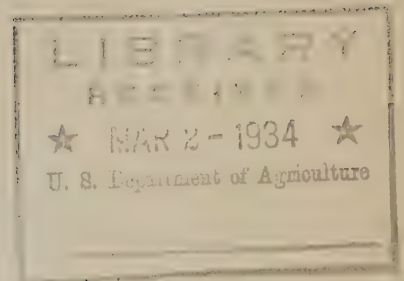
Since the following practices increase the cost of distribution, thus either lowering the price to the producer or raising the price to the consumer, they are prohibited during the life of this agreement.

- (a) Selling milk or other dairy products to any peddler who on the effective date of this agreement, is buying milk and/or cream from some other milk dealer.
- (b) Allowing any milk delivery salesman to distribute milk in any district in which he has distributed milk for another milk dealer, for a period of one (1) year after he has distributed milk in said district for the previous milk dealer employer.
- (c) Failure to discontinue service to any store who is reselling milk or other dairy products at a price lower than the dealers wagon retail price in "Exhibit B".
- (d) Failure to discharge an employee who has on his own account, and without the consent of the company, given discounts, rebates, or special prices as enumerated in Part 1 of this Schedule.
- (e) To make regular daily special deliveries to a retail customer.
- (f) It is to be considered a duty and not an unfair practice or objectionable in any sense of the word, for any dealer to make a confidential report of unethical conduct, unsatisfactory conditions, or illegal practices, to the Secretary of Agriculture in writing, and to supply the "Secretary" with all the evidence that said report may be substantiated.
- (g) It shall be the duty of milk dealers signatory to this agreement to co-operate in every way possible with the Public Health Authorities of the "Quad Cities Area."

PART V

DELIVERY SERVICE

The signators to this marketing agreement hereby agree that all milk and milk products shall be delivered in the "Quad Cities Area" between the hours of 7 A. M. and 5 P. M. daily, effective Oct. 1, 1933, except special deliveries to wholesale accounts, provided, however, that no such special deliveries to wholesale accounts, shall be made after 6 P.M. of any day.



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROPOSED
MARKETING AGREEMENT
FOR MILK
QUAD CITIES SALES AREA

This proposed marketing agreement for milk in the Quad Cities sales area in its present form merely reflects the proposal of the above mentioned industry, and none of the provisions contained herein are to be regarded as having received the approval of the Agricultural Adjustment Administration as applying to this industry.

PROPOSED MARKETING AGREEMENT FOR MILK

QUAD CITIES SALES AREA

The parties to this Agreement are the contracting distributors, the contracting producers, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended:

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909 - July 1914; and
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and
- (c) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer above the percentage which was returned to the farmer in the prewar period, August 1909 - July 1914; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of milk and the distribution thereof in the Quad Cities Sales Area, and to effectuate the declared policy of the Act, desire to enter into a Marketing Agreement under the provisions of Section 8 (2) of the Act:

NOW, THEREFORE, the parties hereto agree as follows:

I.

As used in this Agreement, the following words and phrases shall be defined as follows:

A. "Producer" means any person, irrespective of whether any such person is also a distributor, who produces milk in conformity with the applicable health requirements of the Quad Cities Sales Area for milk to be sold for consumption as whole milk in the Quad Cities Sales Area.

B. "Distributor" means any of the following persons engaged in the business of distributing, marketing, or in any manner handling, in whole or in part, whole milk or cream for ultimate consumption in the Quad Cities Sales Area:

1. Persons, irrespective of whether any such person is also a producer,

(a) who pasteurize, bottle, or process milk or cream;

(b) who distribute milk or cream at wholesale or retail
(1) to hotels, restaurants, stores or other establishments for consumption on the premises, (2) to stores or other establishments for resale, or (3) to consumers;

(c) who operate stores or other establishments for the sale of milk or cream at retail for consumption off the premises.

2. Persons, wherever located or operating, whether within or without the Quad Cities Sales Area, who purchase, market or handle milk or cream for resale in the Quad Cities Sales Area.

C. "Quad Cities Sales Area" means the territory lying within the corporate limits of the cities of Davenport, Bettendorf, and Princeton, Iowa; and Rock Island, Moline, East Moline, and Silvis, Illinois, together with the territory lying without the corporate limits of the cities above named; and lying within the following townships: Davenport, Rockingham, Pleasant Valley, LeClaire, and Princeton in Iowa; and South Moline, Moline, Blackhawk, Coal Valley, Hampton, Port Byron, Coe and Cordova in Illinois.

D. "Secretary" means the Secretary of Agriculture of the United States.

E. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.

F. "Person" means individual, partnership, corporation, association, or any other business unit.

G. "Subsidiary" means any person, of, or over whom or which, a distributor or an affiliate of a distributor has, or several distributors collectively have, either directly or indirectly, actual or legal control, whether by stock, ownership or in any other manner.

H. "Affiliate" means any person and/or any subsidiary thereof, who has, either directly or indirectly, actual or legal control, over a distributor, whether by stock, ownership or in any other manner.

I. "Books and Records" means books, records, accounts, contracts, memoranda, documents, papers, correspondence, or other data, pertaining to the business of the person in question.

J. "Market Administrator" means the person designated pursuant to Exhibit A which is attached hereto and made a part hereof.

II.

1. The schedule governing the prices, at which and the terms and conditions under which milk shall be purchased by distributors from producers shall be that set forth in Exhibit A.

2. The schedule governing the minimum prices at which, and the terms and conditions under which, milk and cream shall be sold by distributors, shall be that set forth in Exhibit B, which is attached hereto and made a part hereof.

3. No distributor shall purchase milk from producers except (a) those producers whose milk was being purchased by distributors or was being distributed in the Quad Cities Sales Area prior to the effective date of this Agreement, and (b) new producers pursuant to the provisions of Exhibit A.

4. No distributor shall purchase milk from any producer unless such producer authorizes such distributor, with respect to payments for milk purchased from such producer, to comply with the provisions of Exhibit A.

5. (a) The distributors shall severally, from time to time, upon the request of the Secretary, furnish him with such information on and in accordance with forms of reports to be supplied by him for the purposes of (1) assisting the Secretary in the furtherance of his powers and duties with respect to this agreement and/or (2) enabling the Secretary to ascertain and determine the extent to which the declared policy of the Act and the purpose of this agreement are being effectuated; such reports to be verified under oath. The Secretary's determination as to the necessity of and the justification for the making of any such reports, and the information called for thereby, shall be final and conclusive.

(b) For the same purposes and/or to enable the Secretary to verify the information furnished him on said form and reports, all the books and records of each distributor and the books and records of the affiliates and subsidiaries of each distributor, shall during the usual hours of business, be subject to the examination of the Secretary. The Secretary's determination as to the necessity of and the justification for any such examination, shall be final and conclusive.

(c) The distributors and their respective affiliates and subsidiaries shall keep books and records which will clearly reflect all the financial transactions of their respective businesses and the financial condition thereof.

(d) The distributors and contracting producers severally agree that upon request of the Secretary, they will procure the execution by their respective affiliates and subsidiaries of supplemental Agreements with the Secretary, in form satisfactory to the Secretary, by which each such affiliate and subsidiary will agree to comply with and assist in the performance of the provisions of this paragraph.

(e) All information furnished the Secretary, pursuant to this paragraph, shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

6. No distributor shall purchase milk or cream from, or process or distribute milk or cream for, or sell milk or cream to, any other distributor of whom he has notice that such other distributor, is violating any provision of this Agreement without first reporting such violation to the Market Administrator.

7. The Secretary may, by designation in writing, name any person including any officer or employee of the Government, to act as his representative in connection with any of the powers provided in this Agreement to be exercised by the Secretary.

8. Each distributor shall, within fifteen days after the effective date of this Agreement, furnish to the Market Administrator a bond with surety thereon satisfactory to the Market Administrator, or such other adequate security as may be satisfactory to the Market Administrator, for the purpose of securing the fulfillment of his obligations under the terms of this Agreement. The Market Administrator may, in his own discretion, or upon good cause shown by any distributor, waive such requirement as to any distributor, subject to such terms and conditions as the Market Administrator may prescribe, but such distributor may, at any subsequent time, be required by the Market Administrator to comply with the foregoing requirement.

9. If any provision in this agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of such provisions and/or of the remainder of this agreement and/or the applicability thereof to any other person, circumstance or thing, shall not be affected thereby.

10. Nothing herein contained shall be construed in derogation of the right of the Secretary to exercise any powers granted him by the Act, and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

11. This agreement confers no exemption from the antitrust laws of the United States and does not make lawful any acts otherwise unlawful, excepting as provided in the Act to the extent necessary to accomplish the purposes of this Agreement.

12. This Agreement may be executed in multiple counterparts, which when signed by the Secretary, shall constitute when taken together, one and the same instrument, as if all such signatures were contained in one original.

13. After this Agreement first takes effect, any association of producers or any distributor may become a party to this Agreement, if a counterpart thereof is executed by him and by the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this Agreement shall then be effective as to such new contracting party.

14. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time, terminate this Agreement as to all parties hereto, by giving at least one day's notice by means of a press release or any other manner which the Secretary may determine.

(b) The Secretary may, at any time, terminate this Agreement as to any party signatory hereto, by giving at least one day's notice by depositing the same in the mail, addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the request of seventy-five percent (75%) of the contracting producers, measured by total volume of milk produced and marketed by contracting producers for distribution as fluid milk, during the calendar month next preceding the date of any such request, or seventy-five percent (75%) of the distributors, measured by total volume of milk distributed by the distributors as fluid milk during such calendar month, by giving notice in the same manner as provided in section (a) of this paragraph.

(d) This Agreement shall in any event, terminate whenever the provisions of the Act authorizing it cease to be in effect.

15. Any term of this Agreement, with the exception of paragraph 14 hereof, may be amended upon the consent of (a) seventy-five percent (75%) of the contracting producers, measured by total volume of milk produced and marketed by the contracting producers for distribution as fluid milk during the calendar month next preceding the date of any

such amendment, and (b) seventy-five percent (75%) of the distributors, measured by total volume of milk distributed by contracting distributors as fluid milk during such calendar month; provided, however, that any such amendment shall become effective only upon the written approval of the Secretary.

IN WITNESS WHEREOF, the contracting producers and contracting distributors, acting under the provisions of the Agricultural Adjustment Act, for the purposes and subject to the limitations therein contained, and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power - - - (2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful; Provided, That no such agreement shall remain in force after the termination of this Act."

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the Act, and the regulations issued thereunder; and

WHEREAS, The Secretary finds (1) that the contracting producers are engaged in the marketing of milk, and that the contracting distributors are engaged in the distribution of fluid milk in the current of interstate commerce; and (2) that the marketing of milk and the distribution of fluid milk in intrastate commerce is inextricably intermingled with the marketing of milk and the distribution of milk in interstate commerce; and

WHEREAS, it appears after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as hereinbefore in this Agreement set forth;

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purpose and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____, _____, and pursuant to the provisions hereof, declare this Agreement to be effective on and after _____ M. Eastern Standard Time, _____, _____.

Secretary of Agriculture.

EXHIBIT A

PRICES TO BE PAID TO PRODUCERS

Section A. Cost of Milk to Distributors.

1. Each distributor shall be obligated to pay producers the following prices for milk of 3.5% butterfat content which he has purchased from producers, delivered f.o.b. distributor's plant in the Quad Cities Sales Area:

Class I - \$1.60 per hundredweight.

Class II - For each hundred pounds of milk, $3\frac{1}{2}$ times the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture, for the delivery period during which such milk is purchased, plus 20% of this amount and plus twenty cents.

Class III - For each hundred pounds of milk, $3\frac{1}{2}$ times the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture, for the delivery period during which such milk is purchased, plus 15% of this amount.

The term "delivery period" shall mean the period from the first to the fifteenth day of each month, or the period from the sixteenth day to and including the last day of each month.

2. Class I milk means all milk sold by distributors as whole milk for consumption in the Quad Cities Sales Area.

Class II milk means all milk used by distributors to produce (a) cream for sale by distributors as cream for consumption in the Quad Cities Sales Area, and/or (b) evaporated milk or ice cream.

Class III milk means the quantity of milk purchased, sold, used or distributed by distributors in excess of sales of Class I and Class II milk.

Milk purchased from producers during any delivery period and sold by a distributor to other distributors as milk or cream shall be accounted for by the selling distributor as Class I or Class II milk, as the case may be, unless such selling distributor, on or before the date fixed for filing reports with the Market Administrator for such delivery period, shall furnish satisfactory proof to the Market Administrator that such milk or cream has been utilized for purposes other than Class I or Class II milk, in which event such milk or cream shall be classified in accordance with such other use.

3. Any distributor who (a) does not distribute milk for consumption in the Quad Cities Sales Area, and (b) does not purchase milk from producers, as defined in the Agreement, namely from those producers who produce milk in conformity with the applicable health requirements of the Quad Cities Sales Area for milk to be sold for consumption as whole milk in the Quad Cities Sales Area, may at any time be required by the Market Administrator to submit

reports, containing such information as the Market Administrator may specify similar to the information required to be reported by other distributors, pursuant to paragraph 4 hereof.

4. (a) On or before the fifth day after the end of each delivery period, each distributor shall report to the Market Administrator (with respect to such delivery period) in a manner prescribed by the Market Administrator, (1) the actual deliveries of producers (who are not also distributors) supplying him, (2) the actual deliveries, if any, made to him by other distributors, (3) the quantities of milk so purchased which are sold, used or distributed as Class I, Class II, and Class III milk respectively, and (4) such other information as the Market Administrator may request for the purpose of performing the provisions of this Exhibit.

(b) Each distributor (herein referred to as a "producer-distributor") who produces milk distributed by him and who either (1) sells part of the milk produced by him to distributors (other than those who operate stores or other establishments for the sale of milk or cream at retail for consumption off the premises) or to manufacturing plants, and distributes part of the milk produced by him as whole milk or cream, or (2) purchases milk from other producers or distributors for distribution as milk, cream or products thereof, or (3) whose average daily sales of milk, cream or products thereof during any delivery period exceed the equivalent of 250 pounds of milk, shall be obligated to account to the Market Administrator for all his sales of Class I, Class II and Class III milk at the prices indicated in Paragraph 1 of this Section, and each such producer-distributor shall submit reports to the Market Administrator on or before the fifth day after the end of each delivery period, containing the same information required in subdivision (a) of this paragraph, and also the total amount of milk produced by such producer on his own farm and sold or used during such delivery period as either Class I, Class II, or Class III milk.

All information furnished the Market Administrator pursuant to this paragraph shall remain confidential in accordance with the provisions of the applicable General Regulations, Agricultural Adjustment Administration, but any such information shall be submitted by the Market Administrator to the Secretary at any time upon the request of the Secretary.

5. With respect to each delivery period the Market Administrator shall:

(a) Compute the total value of the milk of each and all distributors, as reported in Paragraph 4, in accordance with the prices set forth in Paragraph 1 above, which computation shall not include milk purchased by one distributor from another distributor;

(b) Compute the total quantity by hundredweight of all the milk reported in Paragraph 4 above which computation shall not include milk purchased by a distributor from another distributor;

(c) Compute the blended price by dividing the total value of all the milk of all distributors, obtained in subdivision (a) above by the total quantity of milk as determined in subdivision (b) above.

6. On or before the tenth day following the end of each delivery period, the Market Administrator shall notify all distributors who have reported pursuant to Paragraph 4 of the blended price which all producers are to be paid for the milk sold to such distributors.

Each such distributor shall pay to all producers (except new producers during the ninety day period specified in Section F of this Exhibit) on or before the fifteenth day following the end of such delivery period, for milk delivered by such producers during such delivery period, on the basis of the foregoing blended price, subject to the adjustments and deductions which are to be made pursuant to Sections B and C of this Exhibit.

With respect to the new producers as defined in Section F of this Exhibit, the distributors shall pay such new producers on or before the fifteenth day following the end of each delivery period falling within the ninety day period specified in Section F, for milk delivered by such new producers during such delivery period, on the basis of the price specified in such Section F, and shall account and pay over to the Market Administrator the difference between such price and the blended price, computed pursuant to Paragraph 5 above.

7. The Market Administrator shall maintain for each distributor an adjustment account which shall be:

(a) debited for the total value of the milk purchased, sold or used by such distributor during each delivery period, computed pursuant to Subdivision (a) of Paragraph 5 of this Section; and

(b) credited for the total value of the milk reported by such distributor pursuant to Paragraph 4, in accordance with the blended price for such milk computed pursuant to Subdivision (c) of Paragraph 5. Such credit shall be made before giving effect to the adjustments provided for in Sections B and C of this Exhibit.

8. Balances on adjusted accounts shall be settled with the Market Administrator upon the demand of the Market Administrator. Any such funds paid to the Market Administrator shall be paid out by him, prorata, as soon as reasonably possible, among those distributors entitled to receive adjustments.

9. Any errors in computation of payments or any discrepancies in the reports of distributors or in the adjustment account, shall be adjusted with respect to the following delivery period.

10. Whenever the Market Administrator has a balance on hand in excess of any adjustments to be made to distributors, he may distribute such balance or any part thereof in an equitable manner among all producers in the Market.

11. The Market Administrator, Illinois-Iowa Milk Producers Association, Inc., an Iowa corporation, and/or Quality Milk Association, an Illinois corporation, shall at all reasonable times have the right to check sampling, weighing and butterfat tests made by distributors, for the purpose of determining the accuracy thereof. In the event of a discrepancy between weights and tests reported by distributors and weights and tests determined by the Market Administrator,

Illinois-Iowa Milk Producers Association, Inc. and/or Quality Milk Association, settlements shall be made by distributors upon the basis of such weights and such butterfat content as the Market Administrator may in each case decide.

Section B. Adjustments in Payments to Producers.

All distributors shall make the following payments in addition to, or be entitled to make the following deductions from, as the case may be, the blended price as determined pursuant to Section A:

If any producer has delivered to any distributor during any delivery period, milk having an average butterfat content other than 3.5%, such distributor shall pay to each such producer three (3) cents per hundred pounds for each 1/10th of 1% average butterfat content above 3.5% or shall be entitled to deduct three (3) cents per hundred pounds for each 1/10th of 1% butterfat content below 3.5%.

Section C. Deductions from Payments to Producers.

1. Each distributor shall deduct five cents per hundred weight from payments to be made by him pursuant to Section A in regard to all the milk delivered to him by producers and shall pay the amount of such deduction to the Market Administrator simultaneously with making payments to producers for milk purchased.

2. Each distributor who also produces milk on his own farm which is sold, used or distributed as Class I, Class II or Class III milk shall, on or before the fifteenth day after the end of each delivery period, pay to the Market Administrator one cent per hundredweight with respect to all milk produced by such distributor on his own farm and sold, used or distributed by him as Class I, Class II and Class III milk during such delivery period.

3. The Market Administrator in his discretion, may at any time waive the payment of the foregoing payments or any part thereof (in which event the distributors shall not make deductions from their payments to producers to such extent) for any delivery period; provided, however, that any such waiver shall be equal among all producers (a) with respect to the amounts to be retained by the Market Administrator to meet his costs of operation, and (b) with respect to the amounts to be used by the Market Administrator for securing benefits to producers.

4. The Market Administrator shall maintain separate accounts for the payments made to him pursuant to Paragraphs 1 and 2, depending upon the use of the monies so paid, as hereinafter provided. The Market Administrator shall apportion such monies in the following manner:

- (a) One cent per hundredweight from the payments made pursuant to paragraph 1, and the payments made pursuant to Paragraph 2 shall be retained by the Market Administrator to meet his costs of operation; provided, however, that any funds which may remain over from such payments in excess of the cost of operation of the Market Administrator for any particular

delivery period shall be applied by him in meeting the costs of operation for the succeeding delivery period, and to the extent that it may be practical, the Market Administrator shall waive a portion of such deduction for the succeeding delivery period as hereinabove in this Section provided.

- (b) Four cents per hundredweight from the payments made to the Market Administrator pursuant to Paragraph 1 with respect to milk delivered by members of Illinois-Iowa Milk Producers Association, Inc. shall be paid over by the Market Administrator to said Association, and four cents per hundredweight from the payments made to the Market Administrator pursuant to Paragraph 1 with respect to milk delivered by members of Quality Milk Association shall be paid over by the Market Administrator to said association. Such payments shall be made for the purpose of securing to producers who are members of said respective associations benefits such as market information, supervision of weights and tests, and guarantee against failure of distributors to make payment for milk purchased. The Market Administrator shall pay over the funds payable to each of said associations pursuant to the provisions of this Subdivision upon the consent of the association to which payment is made (a) to keep its or their books and records in a manner satisfactory to the Market Administrator, (b) to permit the Market Administrator to examine its or their books and records and furnish the Market Administrator such verified reports or other information as the Market Administrator may from time to time request, and (c) to disburse such funds in the manner above provided.
- (c) Four cents per hundredweight from the payments made to the Market Administrator pursuant to Paragraph 1 with respect to the Milk delivered by producers not members of said associations, shall be retained by the Market Administrator and expended by him for the purpose of securing for such non-member producers, market information, supervision of weights and tests, and guarantee against failure of distributors to make payment for milk purchased; provided, however, that the Market Administrator may, in his discretion, employ the facilities and services of any agent or agents, and pay over such amount to said agent or agents for the purpose of securing to such non-members the aforementioned benefits, if such benefits to non-members may be more efficiently and economically secured thereby. The Market Administrator shall pay over such funds to such agent or agents, if he determines to do so, only upon the consent of such agent or agents (a) to keep its or their books and records in a manner satisfactory to the Market Administrator; (b) to permit the Market Administrator to examine its or their books and records, and to furnish the Market Administrator such verified reports or other information as the Market Administrator may from time to time request; and (c) to disburse such funds in the manner above provided.

Section D. The Market Administrator - His Designation, Duties and Compensation.

The Secretary shall designate the Market Administrator who shall perform such duties as may be provided for him in the Agreement. The Market Administrator so designated shall be subject to removal, at any time, by the Secretary. Before he enters upon his duties, the Market Administrator shall execute and deliver to the Secretary his bond in such amount as the Secretary may determine, with surety thereon satisfactory to the Secretary, conditioned upon the faithful performance of his duties as such Market Administrator. The Market Administrator shall be entitled (a) to reasonable compensation, which shall be determined by the Secretary; (b) to borrow money to meet his cost of operation until such time as the first payments are made to him pursuant to Section C of this Exhibit, which monies shall be repaid out of the payments retained by the Market Administrator pursuant to paragraph 4 of said Section C; and (c) to incur such other expenses, including compensation for persons employed by the Market Administrator as the Market Administrator may deem necessary for the proper conduct of his duties, and the cost of procuring and continuing his bond, which total expense shall be deemed to be the cost of operation of the Market Administrator. The Market Administrator shall not be held personally responsible in any way whatsoever to any party to this Agreement or to any other person for errors in judgment, mistakes of fact or other acts, either of commission or omission, except for acts of dishonesty, fraud, or malfeasance in office.

The Market Administrator shall keep such books and records as will clearly reflect the financial transactions provided for in this Agreement. The Market Administrator shall permit the Secretary to examine his books and records at all times, and furnish the Secretary such verified reports or other information as the Secretary may, from time to time, request of him.

Section E. Establishment of Milk Industry Board.

The Secretary may, in his discretion, at any time, establish a Milk Industry Board, which shall have representation of producers, distributors, and the public. The Milk Industry Board shall have such duties and powers as the Secretary may, from time to time, delegate to it in order to effectuate the provisions and purposes of this Agreement. The Secretary may further, in his discretion, authorize and direct the Market Administrator to pay over to the Milk Industry Board for the purpose of meeting its general expenses, a portion of the monies deducted by the Market Administrator for his cost of operation, pursuant to Section C of this Exhibit, providing such portion shall in no event exceed 1/4th cent per 100 pounds of milk for which such payment is made.

Section F. New Producers.

New producers shall be those producers whose milk was neither being purchased by distributors nor being distributed in the Quad Cities Sales Area prior to the effective date of this Agreement.

During the first ninety-days that the milk of such producer is sold to distributors or is distributed within the Quad Cities Sales Area (1) the price to be paid to such producer for all milk delivered by him (and the price on the basis of which a producer-distributor required to report pursuant to Paragraph

4, Section A shall be credited in the adjustment account pursuant to Paragraph 7 of Section A) shall be the Class III price unless no Class III milk is being used in the Market, in which event the aforesaid milk shall be paid for or credited at the Class II price, and (2) the price for such milk shall be subject to the adjustments and deductions provided for in Sections C and D of this Exhibit.

EXHIBIT B.

SCHEDULE OF UNFAIR TRADE PRACTICES.

1. To effectuate the purposes of this agreement and to aid in the enforcement of the provisions thereof, the sale of the following articles in the Quad Cities Sales Area by distributors at prices below the minimum prices hereinafter set forth is prohibited. Such minimum prices shall be as follows:

	<u>Retail</u>	<u>Wholesale</u>
	¢	¢
Milk, 3.9% or less butterfat:		
Gallons	--	20
Quarts	07	06 1/2
Pints	04 1/2	04
One-half pints	--	02
Milk, 4.0% or more butterfat:		
Quarts	08	07 1/2
Pints	05	04 1/2
One-half pints	--	02 1/4
Cream, 22% or less butterfat:		
Gallons	--	65
Quarts	22	20
Pints	12	11
One-half pints	07	06
Cream, 23-30% butterfat:		
Gallons	--	85
Quarts	29	26
Pints	17	15
One-half pints	10	09
Cream, 31% or more butterfat:		
Gallons	--	95
Quarts	35	32
Pints	18	16
One-half pints	12	11

2. The foregoing price schedule is without prejudice to the right of any distributor who asserts that such minimum prices are in excess of the prices necessary to accomplish the purposes set forth in Paragraph 1 of this Exhibit, to a hearing on the question of a modification or amendment of this agreement, in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

3. The foregoing minimum prices shall not be applicable to any sales to public unemployment relief agencies (whether local, state, or federal), to any private unemployment relief agency cooperating with or accredited by any such public unemployment relief agency, to any charitable institution or agency, to any hospital in connection with its charitable operations, or to

any government agency (whether local, state, or federal) when purchased upon competitive bids.

4. No distributor, or its officers, employees, or agents, shall employ any method or device whereby any article is sold or offered for sale at below the foregoing minimum prices, whether by discount, rebate, redeemable certificates, stamps, or tickets, free services or merchandise credit for articles returned, loans or credit outside the usual course of business, or combining prices for such articles together with another commodity sold, or by subsidy given for business or assistance in procuring business.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROPOSED
MARKETING AGREEMENT
FOR MILK
QUAD CITIES SALES AREA

SUBMITTED BY:

Illinois-Iowa Milk Producers' Assn.
Quality Milk Association.

The Chief Hearing Clerk, Department of Agriculture, does hereby certify that this is a true and correct copy of the Proposed Marketing Agreement for Milk, Quad Cities sales area delivered to this office by B. B. Derrick, Acting Chief, Dairy Section.

Docket No. A - 105
O - 105

Notice of hearing signed by the
Acting Secretary of Agriculture
July 14, 1939.

★ AUG 3 1939
U. S. Department of Agriculture

UNITED STATES DEPARTMENT OF AGRICULTURE
DIVISION OF MARKETING AND MARKETING AGREEMENTS

PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER REGULATING THE
HANDLING OF MILK IN THE QUAD CITIES MARKETING AREA, UPON WHICH
THE SECRETARY OF AGRICULTURE HAS BEEN REQUESTED TO HOLD A HEAR-
ING UNDER THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

The Quality Milk Association and the Illinois-Iowa Milk Producers' Association have jointly presented to the Secretary a petition for public hearing on a proposed marketing agreement and proposed order regulating the handling of milk for the Quad Cities milk marketing area under the Agricultural Marketing Agreement Act of 1937. With the exception of the base-rating provisions sponsored by the Quality Milk Association, all provisions of the proposal set forth below are sponsored jointly by the two named producer associations.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture after due notice of and opportunity for hearing to enter into marketing agreements with, and to issue orders applicable to, processors, producers, associations of producers, and others engaged in the handling of milk and its products in the current of interstate or foreign commerce, and authorizes the Secretary of Agriculture to call hearings whenever he has reason to believe that the issuance of an order, and/or the execution of an agreement will tend to effectuate the declared policy of this act. In simple terms, as applied to milk, the declared policy of the act is to establish and maintain such orderly marketing conditions for milk in interstate commerce as will establish prices for milk at a level which will give that milk a purchasing power with respect to articles that farmers buy equivalent to its purchasing power in a prescribed base period, after taking into account the available supplies of feed, the prices of feed and other economic conditions affecting the demand for and the supply of milk.

In response to the petition of the above associations, the Secretary of Agriculture has called a hearing to be held in Room 360 of the Post Office Building at Rock Island, Illinois, beginning at 10:00 a.m., c.s.t., August 2, 1939.

At the above time and place opportunity will be given for interested parties to present evidence (1) as to whether or not any marketing agreement and/or order should be issued, and (2) as to each and every provision set forth below and as to other provisions which may be proposed in the course of the hearings. It is suggested that each interested party, who so desires, carefully present all facts which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision, (1) as to the issuance of an order, and/or the execution of an agreement, and (2) if an order is issued, what provisions such

an order should contain. The best interests of a proponent, or of an opponent, of the whole plan, or any provision thereof, will best be served by his presentation, concisely and adequately, of the relevant facts in his possession, reserving his arguments for filing in written form at the close of the hearing session.

The provisions proposed by the above associations are set forth below as possible provisions of a marketing agreement and of an order. Their publication in this form is for the convenience of interested parties and is not to be considered as in any way signifying their approval by the Secretary of Agriculture.

Section 1 Definitions. (a) Terms. The following terms shall have the following meanings:

(1) The term "Quad Cities marketing area," hereinafter called the "marketing area," means the territory lying within the corporate limits of the cities of Davenport and Bettendorf, Iowa; and Rock Island, Moline, East Moline, and Silvis, Illinois; together with the territory lying within the following townships; Davenport, Rockingham, and Pleasant Valley in Scott County, Iowa; and South Moline, Moline, Blackhawk, Coal Valley, Hampton, and South Rock Island in Rock Island County, Illinois.

(2) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(3) The term "producer" means any person, irrespective of whether such person is also a handler, who disposes of milk of his own production in the marketing area, or who produces milk which is received at the plant of a handler from which milk is disposed of in the marketing area: Provided, That if such person did not regularly perform the function of a producer for a period of 30 days prior to the effective date hereof, but thereafter begins the regular performance of such function, he shall be known as a "new producer" for a period beginning with the date of his first performance of such function and including the first 2 full calendar months following such date, after which he shall be known as a producer. This definition of a producer or new producer shall be deemed to include any person who produces milk which a cooperative association causes to be diverted from the plant of a handler from which milk is disposed of in the marketing area, to a plant from which no milk is disposed of in the marketing area.

(4) The term "handler" means any person, irrespective of whether such person is a producer or an association of producers, who on his own behalf or on behalf of others, purchases or receives milk from producers, associations of producers, or other handlers, all or a portion of which milk is disposed of or utilized as milk or cream in the marketing area, and who on his own behalf or on behalf of others, engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products. This definition shall be deemed to include a cooperative association which causes milk to be delivered from a producer

to a handler or causes milk of a producer to be delivered to a plant from which no milk is disposed of or utilized in the marketing area, for the account of such cooperative association, and for which such cooperative association collects payment.

(5) The term "delivery period" means the period from the first to, and including, the last day of each month.

(6) The term "base" means the quantity of milk calculated for each producer pursuant to Sec. 8(e).

(7) The term "act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937.

(8) The term "Secretary" means the Secretary of Agriculture of the United States.

(9) The term "market administrator" means the agency which is described in Sec. 2 for the administration hereof.

Sec. 2 Market administrator. (a) Designation. The agency for the administration hereof shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

(b) Powers. The market administrator shall:

(1) Administer the terms and provisions hereof.

(2) Investigate and report to the Secretary complaints of violation of the provisions hereof.

(3) To make rules and regulations to effectuate the terms and provisions hereof.

(c) Duties. The market administrator shall:

(1) Within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

(2) Keep such books and records as will clearly reflect the transactions provided for herein, and surrender the same to his successor or to such other person as the Secretary may designate.

(3) Submit his books and records to examination by the Secretary at any and all times.

(4) Furnish such information and such verified reports as the Secretary may request.

(5) Obtain a bond with reasonable security thereon covering each employee who handles funds entrusted to the market administrator.

(6) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 15 days after the date upon which he is required to perform such acts, has not (a) made reports pursuant to Sec. 5 or (b) made payments pursuant to Sec. 8.

(7) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof.

(8) Pay, out of the funds provided by Sec. 10, (a) the cost of his bond and of the bonds of such of his employees as handle funds entrusted to the market administrator, (b) his own compensation, and (c) all other expenses necessarily incurred in the maintenance and functioning of his office.

(9) Promptly verify the information contained in reports submitted by handlers.

(d) Responsibility. The market administrator, in his capacity as such, shall not be held responsible in any way whatsoever to any handler or to any other person, for errors in judgment, for mistakes, or for other acts either of commission or omission, except for his own wilful misfeasance, malfeasance, or dishonesty.

Sec. 3 Classification of milk. (a) Classes of utilization. Milk received by each handler, including milk produced by him, if any, shall be classified by the market administrator as follows:

(1) Class I milk shall be all milk disposed of in the form of milk, chocolate milk, or any milk drink, and all milk not specifically accounted for as Class II, Class III, or Class IV milk.

(2) Class II milk shall be all milk which is disposed of as cream for consumption or use as cream.

(3) Class III milk shall be all milk used to produce evaporated milk, condensed milk, ice cream mix, or any other milk product, the classification of which has not otherwise been provided herein, except butter and American type cheddar cheese.

(4) Class IV milk shall be all milk used to produce butter and American type cheddar cheese, and all milk accounted for as plant shrinkage, provided that such plant shrinkage shall not exceed 3 percent of the total receipts of milk, excluding purchases made from other handlers, for the delivery period.

(b) Interhandler and nonhandler sales. Milk sold by a handler, which is not a cooperative association, to another handler or to a person

not a handler who distributes milk or manufactures milk products shall be presumed to be Class I milk: Provided, That if the selling handler, on or before the date fixed for filing reports pursuant to Sec. 5, furnishes proof satisfactory to the market administrator that such milk has been sold or disposed of by such purchaser other than as Class I milk, such milk shall be classified in accordance with such proof, subject to verification by the market administrator.

(c) Producer-handler sales. Milk sold in bulk as milk or cream by a handler who is also a producer to a handler operating a bottling or processing plant shall be accounted for as Class IV milk by such selling handler. If such buying handler disposes of such milk for other than Class IV milk purposes, the market administrator shall add to the total value of such handler's milk, computed pursuant to Sec. 7, the difference between the value of such milk at the Class IV milk price and the value of its actual usage.

Sec. 4 Minimum prices. Each handler shall pay producers in the manner set forth in Sec. 8 for the 3.5 percent butterfat content equivalent of milk received at the handler's plant, not less than the following prices:

(1) Class I milk - \$2.10 per hundredweight.

(2) Class II milk - The price per hundredweight shall be calculated by the market administrator as follows: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is received, add 25 percent thereof, and add 20 cents: Provided, That the price per hundredweight shall not be less than \$1.52 nor greater than \$1.85.

(3) Class III milk - For each hundred pounds of milk the price paid producers for milk of 3.5 percent butterfat content, pursuant to the provisions of the marketing agreement for evaporated milk or any amendment thereto, executed by the Secretary, pursuant to the terms of the act. In the event that said marketing agreement is terminated, the price for each hundredweight shall be calculated by the market administrator as follows: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is received, add 20 percent thereof, and add 10 cents.

(4) Class IV milk - The price per hundredweight shall be calculated by the market administrator as follows: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is received, and add 10 percent thereof.

Sec. 5 Reports of handlers. (a) Periodic reports. On or before the 5th day after the end of each delivery period, each handler shall report to the market administrator in the manner prescribed by the market administrator, with respect to milk or cream received or produced by such handler, during such delivery period, as follows:

(1) The receipts at each plant from producers, including new producers, who are not handlers and the quantities of such receipts which are represented by (a) delivered bases, (b) excess over delivered bases, and (c) receipts from new producers;

(2) The receipts at each plant from any other handler, including any handler who is also a producer;

(3) The quantity, if any, produced by such handler;

(4) The receipts at each plant from any other source;

(5) The total quantities of milk and the butterfat test thereof which were sold, used or distributed by such handler as Class I, Class II, Class III and Class IV milk, respectively, including sales to other handlers for the purpose of classification, pursuant to Sec. 3; and

(6) Such other information as the market administrator may request for the purpose of administering the provisions hereof.

(b) Reports as to producers. Each handler shall report to the market administrator:

(1) Within 10 days after the market administrator's request with respect to any producer for whom such information is not in the files of the market administrator and with respect to a period or periods of time designated by the market administrator, (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days upon which deliveries were made.

(2) As soon as possible after first receiving milk from any producer (a) the name and address of such producer, (b) the date upon which such milk was first received, (c) the plant at which the milk of such producer was received, and (d) whether such producer is a new producer.

(c) Reports of payments. On or before the 20th day after the end of each delivery period, each handler shall report for such delivery period to the market administrator, in a manner prescribed by the market administrator, with respect to each producer: (a) his name, (b) his total deliveries of milk as delivered base, and excess over delivered base, respectively, (c) the average butterfat content of milk delivered, (d) the total payment made to such producer, showing all adjustments, additions, and deductions, and (e) such other similar information as the market administrator may request.

(d) Verification of reports. Each handler, including a cooperative association which is a handler, shall make available to the market administrator or his agent (a) those records which are necessary for the verification of the information contained in the reports submitted in accordance with this section, and (b) those facilities which are necessary for the sampling, weighing, and testing of the milk of each producer.

(e) Verification of receipts. The market administrator shall verify the receipts and utilization together with the butterfat content thereof, of all milk required to be reported pursuant to this section and in case of errors or omissions, ascertain the correct figures and adjust such handler's report accordingly.

(f) Verification of weights, samples and tests. The market administrator shall weigh, sample, and test for butterfat content the milk received from producers and any product of milk upon which classification depends. In the event of a discrepancy between the weights and tests determined by the market administrator, and the weights and tests determined or reported by the handler, settlements shall be made by handlers upon the basis of such weights and such butterfat tests as the market administrator may in each case decide.

Sec. 6 Handlers who are also producers. (a) The market administrator shall, subject to the condition set forth in paragraph (c) of this section, exclude in the following manner all milk produced and sold by a handler who is also a producer from the computations pursuant to Sec. 7(a):

(1) The milk produced and sold in excess of delivered base by such handler, by deducting such excess over base from such handler's total Class IV, Class III, Class II, and Class I milk, (after excluding purchases from other handlers), using all of each class of milk in the order above-named before making any deductions from the succeeding class of milk.

(2) The delivered base of such handler, subject to the provisions of paragraph (b)(2) of this section.

(b) The market administrator shall, subject to the condition set forth in paragraph (c) of this section, include in the computations pursuant to Sec. 7(a):

(1) The difference in value between the excess over delivered base of such handler's own production, multiplied by the Class IV milk price and the total value of such excess over base apportioned among such handler's Class IV, Class III, Class II, and Class I milk pursuant to paragraph (a)(1) of this section, and multiplied by the Class IV, Class III, Class II, and Class I milk prices, respectively.

(2) The milk purchased by such handler from other producers and the value thereof, computed as follows: the quantity of such milk shall

be ratably apportioned among such handler's total Class I, Class II, Class III, and Class IV milk after making the adjustments and deductions set forth in paragraph (a)(1) of this section, and shall multiply such adjusted quantities by the Class I, Class II, Class III, and Class IV milk prices, respectively.

(c) The market administrator shall, upon prior written notice from such handler of the exercise thereof, grant the option of having all milk produced by such handler included in the computations made pursuant to Sec. 7(a) in lieu of the provisions of paragraph (a) and paragraph (b) of this section.

(d) No provisions hereof shall be construed to relieve any handler who does not sell or distribute whole milk or any handler who is also a producer from any of the obligations of this instrument except as set forth in paragraph (a) of this section. The provisions set forth in paragraph (a) of this section shall not apply to any handler other than a person who produces milk distributed by himself as whole milk or cream.

Sec. 7 Determination and notification of uniform prices to producers. (a) Computations. With respect to each delivery period, the market administrator shall:

(1) Compute the total value of the milk reported by each and all handlers pursuant to Sec. 5 on the basis of the classification and prices set forth in Sec. 3 and Sec. 4, respectively, which computations shall not include milk or the value thereof (a) as purchased by handlers from other handlers except as set forth in Sec. 3(c), (b) as excluded from such computations pursuant to the provisions of Sec. 6, or (c) if classified as emergency milk pursuant to Sec. 8(c).

(2) Compute the total quantity of milk which represents the delivered bases of producers (excluding new producers) and which is included in the computations pursuant to paragraph (a)(1) of this section.

(3) Compute the total value of the milk (including all milk delivered by new producers) which is in excess of the delivered bases determined pursuant to paragraph (a)(2) of this section and which is included in the computations pursuant to paragraph (a)(1) of this section, by multiplying such quantity of milk by the price specified for Class IV milk in Sec. 4.

(4) Compute the total value of the quantity of milk represented by the delivered bases of producers by subtracting the value obtained in paragraph (a)(3) of this section from the value obtained in paragraph (a)(1) of this section.

(5) Compute the blended price for the quantity of milk represented by the delivered bases of producers by dividing the value obtained in paragraph (a)(4) of this section by the quantity of milk represented by the delivered bases of producers as determined in paragraph (a)(2) of

this section, which blended price shall be subject to adjustments as set forth in paragraph (b) of this section.

(b) Adjustments for reserves. The market administrator may adjust the blended price, computed pursuant to paragraph (a) of this section, for the purpose of establishing and maintaining a reserve fund against, (a) the failure or delay of handlers to make payments on equalization accounts pursuant to Sec. 9(b), (b) errors and discrepancies in reports of handlers, and (c) errors and discrepancies in equalization accounts, including adjustments on delayed reports of handlers: Provided, That such adjustments in the blended price for any one delivery period may not, except upon the specific approval of the Secretary, exceed an amount equal to 2 percent of the total value of milk reported by handlers for such delivery period. Such reserve fund shall at no time contain a net amount in excess of 10 percent of the value of the milk reported by handlers for an average delivery period and shall in no event be used by the market administrator to meet any costs or liabilities incurred by him under this order. If and when all or any portion of said reserve fund is not necessary to accomplish the purpose for which it was created, equitable distribution thereof shall be made by the market administrator to the producers supplying milk for distribution in the marketing area.

(c) Notification of producers' prices. On or before the 10th day after the end of each delivery period the market administrator shall notify all handlers, whose reports are included in the computations made pursuant to paragraph (a) of this section, of the blended price computed pursuant to paragraph (a) of this section as adjusted pursuant to paragraph (b) of this section, and of the Class IV milk price as provided for in Sec. 4.

Sec. 8 Payments to producers. (a) Payments to producers and new producers. Each handler shall pay to producers, on or before the 15th day after the end of each delivery period for milk delivered by such producers during such delivery period, subject to adjustments as set forth in this section and deductions as set forth in Sec. 11:

(1) The adjusted blended price, announced pursuant to Sec. 7(c) for the quantity of milk delivered by each producer not in excess of such producer's delivered base;

(2) The Class IV milk price for the quantity of milk delivered by each such producer in excess of such producer's delivered base; and

(3) The Class IV milk price for the total quantity of milk delivered by each new producer, which price shall apply from the date when milk is first received from such new producer to the end of the 2nd full calendar month.

(b) Additional payments. Any handler may, with the prior approval of the market administrator, make payments to producers in addition to the payments pursuant to (a) of this section: Provided, That such addi-

tional payments are made to all such producers supplying such handler with milk of similar quality and grade. No handler may accept services from or render services to a producer or an association of producers from whom he is purchasing milk without making a reasonable payment or charge, as the case may be, for such services.

(c) Emergency milk. During any emergency period when the normal supply of milk from producers is not sufficient to meet the Class I and Class II milk requirements of any handler, such handler may, with the prior approval of the market administrator, purchase milk for such emergency purposes from producers on terms and conditions other than those set forth in this section but at prices not less than the equivalent of the prices set forth in Sec. 4, in which event such milk shall not be included in the computations as provided in Sec. 7, but shall be reported separately to the market administrator by such handler.

(d) Butterfat differentials. Each handler shall pay one-tenth of the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk is purchased, per hundredweight of milk for each one-tenth of 1 percent butterfat content above, and shall deduct a similar amount for each one-tenth of 1 percent butterfat content below 3.5 percent butterfat on all milk on which prices are paid producers: Provided, That for any delivery period such amount shall not be less than 3 cents nor more than 4 cents per hundredweight.

(e) Base-rating plan. (1) The daily base for each producer, effective January 1, 1939, shall be determined by the market administrator in the following manner: Determine the total production for each producer during the period October, November, and December, 1938, and add to this total production the total production for that month during the year 1938 when the individual producer's production was the lowest, and divide this sum by the total number of days involved during the 4 calendar months involved. Multiply this result by .81671254. This shall be known as the producer's allotted base for the year 1939.

(2) Effective January 1, 1940, and each subsequent year thereafter, bases for the ensuing year shall be determined by the market administrator in the following manner:

(i) Determine that month during the calendar year for each producer when the daily average of his own production was the lowest and add to this total month's production the total of his own production for the 3 months determined in subdivision (ii) of this subparagraph and divide this sum by the number of days involved for the 4 calendar months. Multiply this daily average for the 4 months by the base-rating factor determined in subdivision (v) of this subparagraph. This result shall be known as the producer's daily base.

(ii) Determine the 3 months during the calendar year when the daily average production for all producers was the lowest.

(iii) Add together in one sum all the daily averages for each producer, determined in accordance with subdivision (i) of this subparagraph.

(iv) Determine the month during the calendar year when the utilization of Class I and Class II milk had the greatest daily average and add to this daily average an amount not to exceed 10 percent thereof.

(v) Divide the daily average quantity found in subdivision (iv) of this subparagraph by the sum found in subdivision (iii) of this subparagraph. This quantity shall be known as the "base-rating factor."

Sec. 9 Equalization among distributors as to payments to producers.

(a) Equalization accounts. The market administrator shall maintain for handlers whose reports are included in the computations pursuant to Sec. 7, records and accounts which will accurately disclose for each handler (a) a debit of the total value of milk as computed for such handler pursuant to Sec. 7(a)(1), (b) a credit of the total payments to be made by such handler pursuant to Sec. 8(a) (in the case of a handler who is also a producer, the difference in value computed pursuant to Sec. 6(b)), and (c) the payments to be made by the market administrator to such handler.

(b) Statement to handlers and payment of balances. On or before the 12th day after the end of each delivery period the market administrator shall render a statement to each handler whose reports are included in the computations made pursuant to Sec. 7, showing the debit or credit balance, as the case may be, in the equalization account of such handler with respect to milk purchased, sold or used during such delivery period. Debit balances shall be paid to the market administrator on or before the 15th day after the end of such delivery period. Any funds so paid to the market administrator shall, as soon as reasonably possible, be paid out by him pro rata among the handlers having credit balances, in proportion to, but only to the extent of, each such credit balance.

Sec. 10 Producers and producers' cooperative associations. (a) Payments by cooperatives. No provision hereof shall be construed as controlling or restricting any producers' cooperative association which meets the requirements of the Capper-Volstead Act and is a handler as defined in Sec. 1(a)(4) with respect to the actual deductions or charges, dividends or premiums to be made by such association from and/or to its members: Provided, That no such deductions or charges may be made by any such producers' cooperative association from any of its members, to meet a current operating loss incurred by such producers' cooperative association in its processing or distribution operations unless (a) expressly and specifically authorized by any such member to make such deductions or charges for such purpose, and (b) the producers' cooperative association notifies the market administrator of the same.

(b) Right to check weights and tests. A producers' association shall at all reasonable times have, with respect to its members, the right to check sampling, weighing and butterfat tests of milk made by handlers: Provided, That the market administrator has given notice

that such association is qualified to perform satisfactorily the services specified in Sec. 11(b).

(c) Transportation rights. Producers shall have the right to deliver milk to plants or platforms of handlers, using any reasonable method of transportation which they, in their discretion, may select. No handler shall interfere with or discriminate against producers in the exercise of such right. At the request of the market administrator each handler shall from time to time, submit a verified report stating the actual transportation charges on all milk delivered to him f.o.b. any and all plants, for the purpose of permitting the market administrator to review such transportation charges and to determine the reasonableness thereof.

Sec. 11 Marketing services. (a) Deductions for marketing services. Except as set forth in paragraph (b) of this section, each handler shall deduct an amount not exceeding 4 cents per hundredweight (the exact amount to be determined by the market administrator, subject to review by the Secretary) from the payments made to producers pursuant to Sec. 8 with respect to all milk delivered to such handler during each delivery period by producers, and shall pay such deductions to the market administrator on or before the 15th day after the end of such delivery period. Such moneys shall be expended by the market administrator for market information to, and for verification of weights, sampling, and testing of milk purchased from said producers.

(b) Producers' cooperative association. In the case of producers for whom a cooperative association, which the Secretary determines to be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions from the payments to be made to such producers and, on or before the 15th day after the end of each delivery period, pay over such deductions to the association rendering such services.

Sec. 12 Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof, each handler shall, on or before the 15th day after the end of each delivery period, pay to the market administrator a sum not exceeding 2 cents per hundredweight with respect to all milk actually delivered to him during such delivery period by producers or produced by him, the exact sum to be determined by the market administrator subject to review by the Secretary: Provided, That each handler which is a cooperative association of producers, shall pay such pro-rata share of expense of administration only on that milk actually received from producers at a plant of such association.

(b) Suits by market administrator. The market administrator may maintain a suit in his own name against any handler for the collection of such handler's pro-rata share of expense set forth in this section.

N. B. The following provisions are proposed to be included in a marketing agreement.

Sec. 13 Effective time, suspension, and termination. (a) Effective time. The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated, pursuant to paragraph (b) of this section.

(b) Suspension and termination. Any or all provisions hereof, or any amendment hereto, shall be suspended or terminated as to any or all handlers after such reasonable notice as the Secretary may give, and shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(c) Continuing power and duty. If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handlers, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

The market administrator, or such other person as the Secretary may designate (1) shall continue in such capacity until discharged by the Secretary, (2) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, or such person, to such person as the Secretary shall direct, and (3) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant hereto.

(d) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof, the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid and owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

Sec. 14 Liability. (a) Handlers. The liability of the handlers hereunder is several and not joint and no handlers shall be liable for the default of any other handler.

UNITED STATES DEPARTMENT OF AGRICULTURE
DIVISION OF MARKETING AND MARKETING AGREEMENTS
WASHINGTON, D.C.

NOTICE OF A PUBLIC HEARING ON A PROPOSED
MARKETING AGREEMENT AND A PROPOSED ORDER
REGULATING THE HANDLING OF MILK IN THE
AREA COMPRISED OF THE CITIES OF DAVENPORT
AND BETTENDORF, IOWA, AND ROCK ISLAND,
MOLINE, EAST MOLINE, AND SILVIS, ILLINOIS,
AND THE FOLLOWING TOWNSHIPS: DAVENPORT,
ROCKINGHAM, AND PLEASANT VALLEY IN SCOTT
COUNTY, IOWA, AND SOUTH MOLINE, MOLINE,
BLACKHAWK, COAL VALLEY, HAMPTON, AND SOUTH
ROCK ISLAND IN ROCK ISLAND COUNTY, ILLINOIS,
WHICH AREA IS KNOWN AS THE QUAD CITIES MAR-
KETING AREA, SUCH HEARING TO BE HELD PURSUANT
TO THE PROVISIONS OF THE AGRICULTURAL MARKET-
ING AGREEMENT ACT OF 1937.

WHEREAS, the Illinois-Iowa Milk Producers Association and the Quality Milk Association, jointly, have requested the Secretary of Agriculture to hold a public hearing on a marketing agreement and order prepared and proposed by such organizations and designed to regulate such handling of milk in the area comprised of the cities of Davenport and Bettendorf, Iowa, and Rock Island, Moline, East Moline, and Silvis, Illinois, and the following townships: Davenport, Rockingham, and Pleasant Valley in Scott County, Iowa, and South Moline, Moline, Blackhawk, Coal Valley, Hampton, and South Rock Island in Rock Island County, Illinois, (which area is known and hereinafter referred to as the Quad Cities marketing area) as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce; and

WHEREAS, the Secretary of Agriculture has reason to believe that the execution of a marketing agreement or the issuance of an order will tend to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, with respect to such handling of milk in the Quad Cities marketing area as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce; and

WHEREAS, under said act notice of and opportunity for a hearing are required prior to the execution of a marketing agreement or the issuance of an order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for such notice:

NOW, THEREFORE, pursuant to said act and said general regulations, notice is hereby given of a public hearing to be held at Rock Island, Illinois, on August 2, 1939, in Room 360 Post Office Building, at 10:00 a.m., c.s.t., on the aforementioned marketing agreement and order, prepared and proposed by the aforementioned organizations and designed to regulate such handling of milk in the Quad Cities marketing area as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce.

At this public hearing, representatives of the Secretary will receive factual evidence (1) as to whether or not any marketing agreement or order should be issued regulating the handling of milk in such area, and (2) as to the specific provisions which a marketing agreement or order should contain.

The proposed marketing agreement and proposed order provide, among other things, for: (a) selection of a market administrator and definition of his powers and duties, (b) classification of milk, (c) minimum prices, (d) reports of handlers, (e) optional methods of excluding milk produced and sold by handlers who are also producers, (f) payments to producers through the use of a market-wide pool, (g) a base-rating plan, and (h) expenses of administration.

Copies of the proposed marketing agreement and proposed order may be obtained from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 0310 South Building, or may be there inspected.

/s/ HARRY L. BROWN
Acting Secretary of Agriculture.

Dated: July 14, 1939.

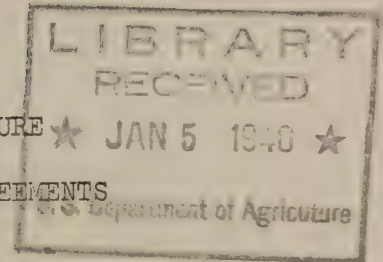
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Docket*

Docket No. A-105

UNITED STATES DEPARTMENT OF AGRICULTURE
DIVISION OF MARKETING AND MARKETING AGREEMENTS

Washington, D. C.



TENTATIVELY APPROVED MARKETING AGREEMENT REGULATING
THE HANDLING OF MILK IN THE QUAD CITIES
MARKETING AREA

I hereby certify that this document is a true and correct
copy of the said marketing agreement as tentatively approved by
the Secretary of Agriculture.

Hearing Clerk,

U. S. Department of Agriculture.

Dated: December 14, 1939

Washington, D. C.

INSTRUCTIONS FOR SIGNING MARKETING AGREEMENT

(Please read carefully before signing)

Handlers of milk who wish to enter into the Marketing Agreement, Regulating the Handling of Milk in the Quad Cities Marketing Area with the Secretary of Agriculture should fill in and sign in accordance with the following instructions:

1. The agreement should be signed in the space provided for the signer's signature and address in Sec. 14 just below the section headed "Signature of parties." The type of business organization which you represent, whether corporation, partnership, or individual, should be indicated with your signature. If your business is organized as a corporation you should be sure to impress the corporate seal at the left of your signature.
2. The record of milk handled during the month of September 1939 should be properly certified as indicated on page 17.
3. The authorization to correct typographical errors on page 18 should be signed.
4. If your business is a corporation the board of directors should pass a resolution in the form attached to the agreement on page 18 authorizing the signing of this agreement.
5. In the case of partnerships and corporations the agreement should be signed by persons authorized to represent the same, such authorization to be indicated.

When the above procedure has been completed the agreement should be returned to William O. Perdue, 335 Federal Building, 16th and 2nd Avenue, Rock Island, Illinois.

MARKETING AGREEMENT REGULATING THE HANDLING
OF MILK IN THE QUAD CITIES
MARKETING AREA

Whereas, under the terms and provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), the Secretary of Agriculture of the United States is empowered, after due notice and opportunity for hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in such handling of any agricultural commodity or product thereof as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof; and

Whereas, the Secretary having reason to believe that the execution of a marketing agreement and the issuance of an order with respect to the handling of milk in the Quad Cities marketing area, would tend to effectuate the declared policy of said act, gave, on the 14th day of July 1939, notice of a public hearing to be held at Rock Island, Illinois, on the 2nd day of August 1939, on a proposed marketing agreement and a proposed order, which hearing was held on the 2d, 3d, and 4th days of August 1939 and reopened at Rock Island, Illinois, on the 18th day of October 1939, for the purpose of receiving additional evidence, and at said times and places conducted public hearings, at which all interested parties were afforded an opportunity to be heard on the proposed marketing agreement and the proposed order; and

Whereas, the parties hereto, in order to effectuate the declared policy of said act, desire to enter into this marketing agreement.

NOW, THEREFORE, the parties signatory hereto (said parties being the handlers and the Secretary) agree:

Section 1 Definitions. (a) Terms. The following terms shall have the following meanings:

(1) The term "Quad Cities marketing area," hereinafter called the "marketing area," means the territory lying within the corporate limits of the cities of Davenport and Bettendorf, Iowa; and Rock Island, Moline, East Moline, and Silvas, Illinois; together with the territory lying within the following townships: Davenport, Rockingham, and Pleasant Valley in Scott County, Iowa; and South Moline, Moline, Blackhawk, Coal Valley, Hampton, and South Rock Island in Rock Island County, Illinois.

(2) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(3) The term "producer" means any person, irrespective of whether such person is also a handler, who produces milk which is received at a plant from which milk is disposed of in the marketing area: Provided, That if such person did not regularly distribute milk in the marketing area or dispose of milk to a handler or to persons within the marketing area during a period of 30 days prior to the effective date hereof, but thereafter begins the regular delivery of milk to a handler, he shall be known as a "new producer" for a period beginning with the date of his first delivery of milk to a handler and including the first 2 full calendar months of regular delivery following first delivery to a handler, after which he shall be known as a producer. This definition of producer and new producer shall be deemed to include any person who produces milk which a cooperative association causes to be diverted from a plant from which milk is disposed of in the marketing area to a plant from which no milk is disposed of in the marketing area.

(4) The term "handler" means any person, except as provided in Sec. 8(c), who, on his own behalf or on behalf of others, purchases or receives milk from producers, associations of producers, or other handlers, all, or a portion, of which milk is disposed of as milk in the marketing area; and who, on his own behalf or on behalf of others, engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products. This definition shall be deemed to include a cooperative association with respect to the milk of any producer which it causes to be delivered to the plant of a handler or causes to be delivered to a plant from which no milk is disposed of in the marketing area, for the account of such cooperative association, and for which such cooperative association collects payment. This definition shall be deemed to include a handler who receives no milk other than that of his own production for the purposes of Sec. 5 only.

(5) The term "delivery period" means the period from the first to the last day of each month, both inclusive.

(6) The term "base" means the quantity of milk calculated for each producer pursuant to Sec. 8(f).

(7) The term "act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937.

(8) The term "Secretary" means the Secretary of Agriculture of the United States.

(9) The term "market administrator" means the agency which is described in Sec. 2 for the administration hereof.

(10) The term "cooperative association" means any cooperative association of producers which the Secretary determines (a) to have its entire activities under the control of its members, and (b) to have and to be exercising full authority in the sale of milk of its members.

Sec. 2 Market administrator. (a) Designation. The agency for the administration hereof shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

(b) Powers. The market administrator shall:

(1) Administer the terms and provisions hereof.

(2) Investigate and report to the Secretary complaints of violation of the provisions hereof.

(3) Make rules and regulations to effectuate the terms and provisions hereof.

(c) Duties. The market administrator shall:

(1) Within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

(2) Keep such books and records as will clearly reflect the transactions provided for herein, and surrender the same to his successor or to such other person as the Secretary may designate.

(3) Submit his books and records to examination by the Secretary at any and all times.

(4) Furnish such information and such verified reports as the Secretary may request.

(5) Obtain a bond with reasonable security thereon covering each employee who handles funds entrusted to the market administrator.

(6) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 15 days after the date upon which he is required to perform such acts, has not (a) made reports pursuant to Sec. 5 or (b) made payments pursuant to Sec. 8.

(7) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof.

(8) Pay, out of the funds provided by Sec. 10, (a) the cost of his bond and of the bonds of such of his employees as handle funds entrusted to the market administrator, (b) his own compensation, and (c) all other expenses necessarily incurred in the maintenance and functioning of his office.

(9) Promptly verify the information contained in reports submitted by handlers.

Sec. 3 Classification of milk. (a) Milk to be classified. Milk of a producer or new producer which a cooperative association causes to be delivered to a plant from which no milk is disposed of in the marketing area, for the account of such cooperative association and for which it collects payment, and all milk received by each handler, including milk produced by him, if any, shall be classified by the market administrator in the classes set forth in paragraph (b) of this section, subject to the provisions of paragraphs (c) and (d) of this section.

(b) Classes of utilization. The classes of utilization of milk shall be as follows:

(1) Class I milk shall be all milk disposed of in the form of milk and all milk not specifically accounted for as Class II milk, Class III milk, or Class IV milk.

(2) Class II milk shall be all milk disposed of as cream (for consumption or use as cream) and all milk disposed of as chocolate milk, or as any flavored milk drink.

(3) Class III milk shall be all milk specifically accounted for as used to produce evaporated milk, condensed milk, ice cream mix, or any milk product, other than those specified in Class II milk and Class IV milk.

(4) Class IV milk shall be all milk used to produce butter and American type Cheddar cheese and all milk accounted for as actual plant shrinkage: Provided, That such plant shrinkage shall not exceed 3 percent of the total receipts of milk from producers and new producers.

(c) Interhandler and nonhandler sales. Milk disposed of by a handler to another handler or to a person not a handler but who distributes milk or manufactures milk products shall be classified, subject to paragraph (d) of this section, as Class I milk: Provided, That if the selling handler, on or before the date fixed for filing reports pursuant to Sec. 5, furnishes to the market administrator a statement signed by the buyer and the seller that such milk was disposed of other than as Class I milk, such milk shall be classified accordingly, subject to verification by the market administrator.

(d) Sales of a cooperative association to any other handler. Milk caused to be delivered from a producer to any other handler by a cooperative association which is a handler shall be ratably apportioned among the receiving handler's total Class I milk, Class II milk, Class III milk, and Class IV milk.

Sec. 4. Minimum prices. (a) Class I prices. Each handler shall pay, at the time and in the manner set forth in Sec. 8, for Class I milk, not less than the following prices:

(1) In the case of milk which complies with the Grade A milk quality requirements of the Milk Ordinance of the City of Davenport, Iowa, passed August 18, 1939, or of the Grade A Milk and Grade A Milk Products Law of the State of Illinois, passed July 19, 1939, and is disposed of as Class I milk, \$2.40 per hundredweight: Provided, That with respect to such Class I milk disposed of under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, the price shall not be less than \$1.93 per hundredweight.

(2) In the case of milk which does not comply with the Grade A milk quality requirements of the Milk Ordinance of the City of Davenport, Iowa, passed August 18, 1939, or of the Grade A Milk and Grade A Milk Products Law of the State of Illinois, passed July 19, 1939, and is disposed of as Class I milk, \$2.10 per hundredweight: Provided, That with respect to such Class I milk disposed of under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, the price shall be not less than \$1.63 per hundredweight.

(b) Class II prices. Each handler shall pay, at the time and in the manner set forth in Sec. 8, for Class II milk, not less than the following prices:

(1) In the case of milk which complies with the Grade A milk quality requirements of the Milk Ordinance of the City of Davenport, Iowa, passed August 18, 1939, or of the Grade A Milk and Grade A Milk Products Law of the State of Illinois, passed July 19, 1939, and is disposed of as Class II milk, \$1.80 per hundredweight.

(2) In the case of milk which does not comply with the Grade A milk quality requirements of the Milk Ordinance of the City of Davenport, Iowa, passed August 18, 1939, or of the Grade A Milk and Grade A Milk Products Law of the State of Illinois, passed July 19, 1939, and is disposed of as Class II milk, \$1.50 per hundredweight.

(c) Class III price. Each handler shall pay, at the time and in the manner set forth in Sec. 8, for Class III milk, not less than: The price per hundredweight for milk of 3.5 percent butterfat content, computed pursuant to section 1 of article VI of the marketing agreement for evaporated milk, issued by the Secretary on May 31, 1935,

or pursuant to any amendment issued thereto. In the event the said marketing agreement is suspended or terminated, the price for Class III milk shall be the price per hundredweight which results from the following calculation by the market administrator: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, add 20 percent thereof, and add 10 cents.

(d) Class IV price. Each handler shall pay, at the time and in the manner set forth in Sec. 8, for Class IV milk, not less than the price per hundredweight which results from the following calculation by the market administrator: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 10 percent thereof.

Sec. 5 Reports of handlers. (a) Periodic reports. Each handler shall report to the market administrator, in the detail and on forms prescribed by the market administrator, as follows:

(1) On or before the 5th day after the end of each delivery period (a) the receipts at each plant of milk from producers and new producers, (b) the receipts at each plant of milk from handlers, (c) the receipts at each plant of milk produced by him, if any, (d) the utilization of all receipts of milk for the delivery period, (e) the utilization of milk caused to be delivered to a plant from which no milk is disposed of in the marketing area, and (f) the name and address of each new producer.

(2) On or before the 5th day after the end of each delivery period, the receipts of milk at each plant obtained in accordance with the provisions of Sec. 8(c), as follows: (a) the amount of such milk, (b) the date or dates upon which such milk was received during the delivery period, (c) the plant from which such milk was shipped, (d) the price per hundredweight paid or to be paid for such milk, (e) the utilization of such milk, and (f) such other information with respect thereto as the market administrator may request.

(b) Reports as to producers. Each handler shall report to the market administrator:

(1) Within 10 days after the market administrator's request with respect to any producer or new producer for whom such information is not in the files of the market administrator and with respect to a period or periods of time designated by the market administrator, (a) the name and address, (b) the total pounds of milk received, (c) the average butterfat test of milk received, and (d) the number of days upon which milk was received.

(2) As soon as possible after first receiving milk from any producer (a) the name and address of such producer, (b) the date upon which such milk was first received, (c) the plant at which the milk of such producer was received, and (d) whether such producer is a new producer.

(c) Reports of payments. On or before the 20th day after the end of each delivery period, each handler shall report for such delivery period to the market administrator, in the manner prescribed by the market administrator, with respect to each producer and new producer, (a) his name, (b) his total deliveries of base milk and total deliveries of milk in excess of base milk, respectively (c) the average butterfat content of his milk, (d) the total payment made to such producer or new producer showing the prices, deductions, and charges involved, and (e) such other information as the market administrator may request.

(d) Verification of reports. Each handler shall make available to the market administrator or his agent (a) those records which are necessary for the verification of the information contained in the reports submitted in accordance with this section, and (b) those facilities which are necessary for the sampling, weighing, and testing of milk and for determining the utilization of milk by the handler.

Sec. 6 Handlers who are also producers. (a) With respect to each handler who is also a producer:

(1) The market administrator shall exclude from the computations made pursuant to Sec. 7(a) the quantity of milk disposed of by such handler: Provided, That where any such handler has purchased or received milk from other producers the value of such milk purchased or received shall be computed under Sec. 7(a) as follows: the quantity of such milk shall be ratably apportioned among such handler's total Class I, Class II, Class III, or Class IV milk (after excluding purchases or receipts, if any, from other handlers) and multiplied by the Class I, Class II, Class III, or Class IV prices, respectively.

(2) The market administrator, in computing the value of milk received by a handler operating a bottling or processing plant shall consider as Class IV milk any milk or cream received in bulk from a handler who receives no milk from producers other than that of his own production. If such receiving handler has disposed of such milk or cream for other than Class IV purposes, the market administrator shall add to the total value computed pursuant to Sec. 7(a) the difference between (a) the value of such milk or cream at the Class IV price and (b) the value according to its actual usage.

Sec. 7 Determination and notification of uniform prices to producers. (a) Computation of the value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of Sec. 6 and Sec. 8(c), the value of milk of producers

and new producers disposed of by each handler by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to Sec. 4, and (b) adding together the resulting values of each class.

(b) Computation and announcement of the uniform price. For each delivery period the market administrator shall compute and announce the uniform price per hundredweight of milk as follows:

(1) Combine into one total the respective values of milk computed pursuant to paragraph (a) of this section for each handler who made the reports to the market administrator prescribed by Sec. 5 and who made the payments prescribed by Sec. 8(a)(4);

(2) Compute the total quantity of milk which represents the delivered bases of producers (excluding new producers) and which is included in the computations made pursuant to paragraph (a) of this section;

(3) Compute the total value of the milk (including all milk received from new producers) which is in excess of the delivered bases of producers determined pursuant to subparagraph (2) of this paragraph and which is included in the computations pursuant to paragraph (a) of this section, by multiplying such quantity of milk by the Class IV price;

(4) Compute the total value of the milk represented by the delivered bases of producers by subtracting the value obtained in subparagraph (3) of this paragraph from the value obtained in subparagraph (1) of this paragraph;

(5) Subtract from the value computed pursuant to subparagraph (4) of this paragraph an amount computed as follows: multiply by \$0.30 the total hundredweight of base milk of producers who are qualified to receive payments pursuant to Sec. 8(e) which was disposed of as Class I milk and Class II milk;

(6) Add to the value computed pursuant to subparagraph (5) of this paragraph an amount which will prorate any cash balance available from previous delivery periods pursuant to subparagraph (8) of this paragraph;

(7) Divide the value obtained in subparagraph (6) of this paragraph by the quantity of milk represented by the delivered bases of producers as determined in subparagraph (2) of this paragraph;

(8) Subtract from the figure obtained in subparagraph (7) of this paragraph not less than 4 cents nor more than 5 cents per hundredweight of milk for the purpose of retaining a cash balance to provide against errors in reports and payments, or delinquencies in payments by handlers. This result shall be known as the uniform price per hundredweight for such delivery period for base milk of producers containing 3.5 percent butterfat; and

(9) On or before the 10th day after the end of each delivery period notify all handlers and make public announcement of these computations, of the uniform price per hundredweight of base milk computed pursuant to this paragraph, of the Class IV price, and of the differentials computed pursuant to paragraphs (d) and (e) of Sec. 8.

Sec. 8 Payments for milk. (a) Time and method of payment. On or before the 15th day after the end of each delivery period each handler shall ~~make~~ payment for milk, subject to the differentials provided in paragraphs (d) and (e) of this section as follows:

(1) To each producer, not less than the uniform price computed pursuant to Sec. 7(b) for that quantity of milk received from such producer not in excess of such producer's base;

(2) To each producer, not less than the Class IV price for that quantity of milk received from such producer in excess of such producer's base; and

(3) To each new producer, the Class IV price for the total quantity of milk received from such new producer.

(4) To producers, through the market administrator, by paying to or receiving from the market administrator, as the case may be, the amount by which the payments required to be made pursuant to subparagraphs (1), (2), and (3) of this paragraph are less than or exceed the value of milk computed for such handler pursuant to Sec. 7(a), as shown in a statement rendered by the market administrator on or before the 12th day after the end of such delivery period.

(b) Additional payments. Any handler may make payments to producers in addition to the payments made pursuant to subparagraphs (1) and (2) of paragraph (a) of this section: Provided, That such additional payments are made to all producers supplying such handler with milk of the same quality and grade.

(c) Emergency milk. During any period when the market administrator determines that the supply of milk received by any handler from producers, new producers, and handlers operating wholesale or retail milk distribution routes in the marketing area, is not sufficient to fulfill the Class I milk and Class II milk requirements of such handler, such handler, after giving notice to the market administrator of his intention to purchase milk from other than such sources, may secure milk from additional sources on terms and conditions other than those provided in this section. Such milk shall be reported to the market administrator by the receiving handler separately from milk received from producers, new producers, and handlers operating wholesale or retail milk distribution routes in the marketing area, in accordance with Sec. 5(a)(2). Such milk shall be deducted from each class in the proportions that the quantity of milk disposed of by the receiving handler in each class during the delivery period bears to the total

quantity of milk received by him during such delivery period. The person from whom the handler received such milk shall not be considered a handler with respect to milk disposed of in the marketing area under the circumstances described in this paragraph.

(d) Butterfat differential. If during the delivery period any handler has received from any producer or new producer milk having an average butterfat content other than 3.5 percent, such handler, in making the payments prescribed in subparagraphs (1) and (2) of paragraph (a) of this section, shall add for each one-tenth of 1 percent of average butterfat content in milk above 3.5 percent not less than, or shall deduct for each one-tenth of 1 percent of average butterfat content in milk below 3.5 percent not more than, an amount equal to one-tenth the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received: Provided, That for any delivery period such amount shall not be less than 3 cents nor more than 4 cents per hundredweight.

(e) Quality differentials. In making payments, pursuant to paragraph (a)(1) of this section, to each producer from whom milk delivered in compliance with the Grade A milk quality requirements of the Milk Ordinance of the City of Davenport, Iowa, passed August 18, 1939, or of the Grade A Milk and Grade A Milk Products Law of the State of Illinois, passed July 19, 1939, has been received during the delivery period, each handler shall add to the uniform price for each such producer the amount per hundredweight resulting from the following computation by the market administrator: divide the amount subtracted in the computation of the uniform price, pursuant to Sec. 7(b)(5), by the total hundredweight of base milk received during the delivery period from all such producers.

(f) Determination of base. (1) For each delivery period the base of each producer shall be a quantity of milk calculated in the following manner: (a) multiply the applicable figure, computed pursuant to subparagraph (2) of this paragraph, by the number of days on which milk was received from such producer during such delivery period.

(2) Effective January 1, 1940, and each subsequent year thereafter, the daily base of each producer for the ensuing year shall be determined by the market administrator from reports filed by handlers pursuant to Sec. 5(a)(1) in the following manner:

(i) Determine for each producer that month during the preceding calendar year when his daily average deliveries of milk were the lowest. Determine the 3 months of the preceding calendar year when the daily average deliveries of milk of all producers were the lowest;

(ii) Determine for each producer his total deliveries of milk during each of the 4 months of the previous calendar year described in subdivision (i) of this subparagraph and add together the resulting amounts;

(iii) Divide the sum obtained for each producer in subdivision (ii) of this subparagraph by the number of days of such 4 calendar months;

(iv) Add together in one sum all the daily average amounts, computed in accordance with subdivision (iii) of this subparagraph;

(v) Determine the daily average utilization of Class I milk and Class II milk during the month of the preceding year when such utilization was greatest and add to such daily average an amount not to exceed 10 percent thereof;

(vi) Divide the amount determined pursuant to subdivision (v) of this subparagraph by the sum determined pursuant to subdivision (iv) of this subparagraph;

(vii) Multiply the daily average amount for each producer determined in subdivision (iii) of this subparagraph by the percentage figure computed pursuant to subdivision (vi) of this subparagraph. This result shall be known as the producer's allotted daily base.

(3) Base rules. The following rules shall be observed by the market administrator with respect to the administration of the base plan:

(i) Bases allotted to producers pursuant to paragraph (f)(2) of this section shall not be transferable: Provided, That bases allotted under a tenant and landlord relationship shall be combined and may be divided only if such relationship is terminated.

(ii) As soon as bases are allotted to producers pursuant to paragraph (f) of this section, the market administrator shall notify each handler of the bases of producers from whom such handler receives milk;

(iii) Any producer who ceases to market milk to a handler for a period of more than 45 consecutive days shall forfeit his base. In the event that he thereafter commences to market milk to a handler he shall receive a base computed in the manner provided in subdivision (x) of this paragraph for the allotment of bases to producers who have been new producers, and shall be treated for the purposes of this section as if he had been a new producer;

(iv) In the event a producer delivers an average quantity of milk less than 85 percent of his allotted daily base for each of 3 consecutive calendar months, such producer shall be reallocated a base equal to his daily average deliveries of milk of his own production for the 3 consecutive months involved;

(v) A producer, whether landlord or tenant of a farm, may retain his base when moving his entire herd of cows from one farm to another farm: Provided, That at the beginning of a tenant and landlord relationship the allotted base of such tenant and landlord shall be a combined base;

(vi) A landlord who rents on shares shall be entitled to the entire base of the exclusion of the tenant, if the landlord owns the entire herd. Likewise, the tenant who rents on shares shall be entitled to the entire base to the exclusion of the landlord, if the tenant owns the entire herd. If the cattle are jointly owned by tenant and landlord, the base shall be divided between the joint owners according to the ownership of the cattle, if and when such joint owners terminate the tenant and landlord relationship;

(vii) The base of any producer shall be automatically canceled at the beginning of any delivery period during which such producer reports milk not produced by him as being milk of his own production for the purpose of maintaining or increasing his allotted base. Such producer shall be reallocated a base computed in the manner provided in subdivision (x) of this paragraph for the allotment of bases to producers who have been new producers, and shall be treated for the purposes of this section as if he had been a new producer;

(viii) Any producer, upon giving notice to the market administrator, may relinquish his base at the beginning of the delivery period following that during which notice is given. In the event the producer thereafter requests the market administrator to allot him a base, he shall be allotted a base in the manner provided in subdivision (x) of this paragraph for the allotment of bases to producers who have been new producers, and shall be treated for the purposes of this section as if he had been a new producer;

(ix) If a producer, who has notified the market administrator within 5 days prior to his participation, enters into a program of disease eradication supervised by either county, State, or Federal authorities, the market administrator, in making his determination of that month of the preceding year when such producer's daily average deliveries of milk were the lowest, pursuant to subdivision (i) of subparagraph (2) of this paragraph, shall disregard any month in which such disease eradication program was being performed.

(x) In the event of allotment of a base to a producer who has shipped milk as a new producer, the market administrator shall determine the daily average deliveries of milk by such producer for the first 2 full calendar months immediately preceding the time when such producer became a producer. Such daily average deliveries of milk shall be multiplied by the percentage that base deliveries were to total deliveries of milk to the market during such 2 calendar months by all base-holding producers on the market during that period.

(xi) In the case of a producer who distributes the milk he produces and who disposes of all or a part of his delivery routes to a handler, the market administrator shall determine a figure representing the average daily Class I milk and Class II milk produced, and disposed of during the previous 3 months on the delivery routes of such producer, which such producer and such handler jointly report as involved in the transaction, subject to verification by the market administrator. Any

base so determined shall be effective from its determination until the end of the then current calendar year and thereafter shall be superseded by a figure determined pursuant to subparagraph (2) of this paragraph.

(g) Errors in payments. Whenever verification by the market administrator of the payment by a handler to any producer or new producer discloses payment to such producer or new producer of less than is required by this section, the handler shall make up such payment to the producer or new producer not later than the time of making payment to producers and new producers next following such disclosure.

Sec. 9 Marketing services. (a) Deductions for marketing services. Except as set forth in paragraph (b) of this section, each handler shall deduct an amount not exceeding 4 cents per hundredweight (the exact amount to be determined by the market administrator, subject to review by the Secretary) from the payments made to producers and new producers pursuant to Sec. 8 with respect to all milk received by such handler during each delivery period from producers and new producers, and shall pay such deductions to the market administrator on or before the 15th day after the end of such delivery period. Such moneys shall be used by the market administrator to verify weights, samples, and tests of milk received by handlers from producers and new producers during the delivery period and to provide such producers and new producers with market information, such services to be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) Producers' cooperative association. In the case of producers and new producers for whom a cooperative association, which the Secretary determines to be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions from the payments to be made to such producers and new producers as may be authorized by such producers and new producers and, on or before the 15th day after the end of each delivery period, pay over such deductions to the association rendering such services of which such producers and new producers are members.

Sec. 10 Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof, each handler, on or before the 15th day after the end of each delivery period, shall pay to the market administrator a sum not exceeding 2 cents per hundredweight with respect to all milk received during such delivery period from producers and new producers and produced by such handler, the exact sum to be determined by the market administrator subject to review by the Secretary: Provided, That each handler which is a cooperative association shall pay such pro-rata share of expense of administration on only that milk of producers and new producers received by such association or caused to be delivered by such association to a plant from which no milk is disposed of in the marketing area.

(b) Suits by market administrator. The market administrator may maintain a suit in his own name against any handler for the collection of such handler's pro-rata share of expense set forth in this section.

Sec. 11 Effective time, suspension, and termination. (a) Effective time. The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated, pursuant to paragraph (b) of this section.

(b) Suspension and termination. Any or all provisions hereof, or any amendment hereto, shall be suspended or terminated as to any or all handlers after such reasonable notice as the Secretary may give, and shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(c) Continuing power and duty. If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder the final accrual or ascertainment of which requires further acts by any handlers, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

The market administrator, or such other person as the Secretary may designate (1) shall continue in such capacity until discharged by the Secretary, (2) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, or such person, to such person as the Secretary shall direct, and (3) if so directed by the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant hereto.

(d) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof, the market administrator, or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid and owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

Sec. 12 Liability. (a) Handlers. The liability of the handlers hereunder is several and not joint, and no handler shall be liable for the default of any other handler.

Sec. 13 Counterparts and additional parties. (a) Counterparts. This agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary, all such counterparts shall constitute, when taken together, one and the same instrument, as if all such signatures were obtained in one original.

(b) Additional parties. After this agreement first takes effect, any handler may become a party to this agreement if a counterpart thereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting parties at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.

Sec. 14 Signature of parties.

IN WITNESS WHEREOF, the contracting handlers, acting under the provisions of the act, for the purposes and subject to the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

Signature

By _____
Name Title

Address _____

Attest _____

Date

RECORD OF MILK HANDLED

DURING THE MONTH OF SEPTEMBER 1939

The undersigned certifies that to the best of his knowledge, as shown by his books and records, he handled during the month of September 1939 _____ hundredweight of milk covered by this agreement and marketed within the Quad Cities marketing area.

SEAL _____
(Signed)

BY _____

AUTHORIZATION TO CORRECT TYPOGRAPHICAL ERRORS
TO BE EXECUTED BY ALL SIGNERS

We, the undersigned, hereby authorize O. M. Reed to consent on our behalf to the correction of any typographical errors which may have been made in the Marketing Agreement Regulating the Handling of Milk in the Quad Cities Marketing Area.

_____	_____
Date	Firm Name

Title - Seal	
(If corporation)	

Corporation only

CERTIFICATE OF RESOLUTION

At a duly convened meeting of the board of directors of

_____ held at _____
_____ on the _____ day of _____

1939, the following resolution was adopted:

RESOLVED, That
_____ shall become a party to the Marketing Agreement Regulating the Handling of Milk in the Quad Cities Marketing Area, as read and explained to the meeting, and it is further RESOLVED, That

_____(title)

and _____(title)
be, and hereby are authorized and directed to sign, execute, and deliver a counterpart of said agreement attached hereto, to the Secretary of Agriculture, together with an authorization naming O. M. Reed to correct typographical errors.

I, _____, Secretary of
_____ do hereby certify that
this is a true and correct copy of a resolution adopted at the above-named meeting, as said resolution appears in the minutes thereof.

Address of firm SEAL

AND SEAL AT SIGNATURE LINE IN BODY OF AGREEMENT

, being duly sworn, deposes and says that he has read the foregoing statement by him subscribed and knows the contents thereof and that the same are true and correct to the best of his knowledge and belief.

Notary Public

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D14Ma
Quad cities

UNITED STATES DEPARTMENT OF AGRICULTURE
SURPLUS MARKETING ADMINISTRATION
DAIRY DIVISION

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★ OCT 17 1941 ★

U. S. Department of Agriculture

NOTICE OF HEARING WITH RESPECT TO A PROPOSAL
TO AMEND THE TENTATIVELY APPROVED MARKETING
AGREEMENT AND ORDER NO. 44, REGULATING THE
HANDLING OF MILK IN THE QUAD CITIES MARKET-
ING AREA

Notice is hereby given of a hearing to be held in the Main Ballroom of the Fort Armstrong Hotel, Rock Island, Illinois, at 10:00 a.m., c.s.t., September 11, 1941, with respect to proposed amendments to the tentatively approved marketing agreement and Order No. 44, regulating the handling of milk in the Quad Cities marketing area.

This notice is given pursuant to the provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and of the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture.

This public hearing is for the purpose of receiving evidence on proposed amendments submitted by the Quality Milk Association, the Illinois-Iowa Milk Producers' Association, and the Dairy Division, Surplus Marketing Administration, United States Department of Agriculture, to (1) increase Class I prices by 28 cents per hundredweight or use a formula based upon the Evaporated Milk Code price plus a premium over; (2) revise the Class II price by use of a formula based upon the Evaporated Milk Code price plus a premium over; (3) revise the Class IV price formula to make it comparable with the manufacturing value; (4) add to Sec. 944.8(f)(3)(i) the provision that "any member of the producer's family may be named as the base holder for the purpose of transfer, but in no case may there be more than one base allotted to one farm"; (5) define the term "producer-handler"; (6) define the method to be used in converting butterfat used in Classes II, III, and IV to its milk equivalent; (7) increase the administrative assessment from 2 to 3 cents per hundredweight; and (8) reword any other provision of the order to conform to the proposed amendments.

Copies of the proposed amendments may be obtained from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, Washington, D. C., in Room 0310, South Building, or may be there inspected.

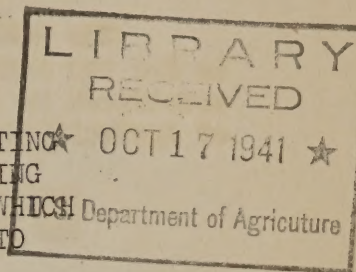
/s/ Grover B. Hill

Dated: 9/4/41
Washington, D. C.

Acting Secretary of Agriculture

Notice of hearing signed by
the Acting Secretary of Agri-
culture September 4, 1941

UNITED STATES DEPARTMENT OF AGRICULTURE
SURPLUS MARKETING ADMINISTRATION
Dairy Division



PROPOSAL TO AMEND THE TENTATIVELY APPROVED MARKETING AGREEMENT AND ORDER NO. 44, REGULATING THE HANDLING OF MILK IN THE QUAD CITIES MARKETING AREA, UPON WHICH THE SECRETARY OF AGRICULTURE HAS BEEN REQUESTED TO HOLD A HEARING UNDER THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937.

The Quality Milk Association and the Illinois-Iowa Milk Producers Association have presented to the Secretary a petition for a public hearing on a proposal to amend the tentatively approved marketing agreement and order, regulating the handling of milk in the Quad Cities marketing area. The Dairy Division has also proposed an amendment.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture after due notice of and opportunity for hearing to enter into marketing agreements with, and to issue and amend orders applicable to, processors, producers, associations of producers, and others engaged in the handling of milk and its products in the current of interstate or foreign commerce and authorizes the Secretary of Agriculture to call hearings whenever he has reason to believe that the issuance of an order or of an amendment to an order will tend to effectuate the declared policy of this act. In simple terms, as applied to milk, the declared policy of the act is to establish and maintain such orderly marketing conditions for milk in interstate commerce as will establish prices for milk at a level which will give that milk a purchasing power with respect to articles that farmers buy equivalent to its purchasing power in a prescribed base period, after taking into account the available supplies of feed, the prices of feed, and other economic conditions affecting the demand for and the supply of milk.

In response to the petition of the Quality Milk Association and the Illinois-Iowa Milk Producers' Association, the Secretary of Agriculture has called a hearing to be held in the Main Ballroom of the Fort Armstrong Hotel, Rock Island, Illinois, at 10:00 a.m., c.s.t., September 11, 1941.

At the above time and place opportunity will be given for interested parties to present evidence as to each and every amendment proposal set forth below. It is suggested that each interested party who so desires carefully present all facts which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision as to whether the said agreement and said order should be amended. The best interests of a proponent or of an opponent of the amendment proposals will best be served by his presentation, concisely and adequately, of the relevant facts in his possession, reserving his arguments for filing in written form at the close of the hearing session.

The publication of the amendment proposals in this form is for the convenience of interested parties and is not to be considered as in any way signifying their approval by the Secretary of Agriculture.

Amendments Proposed by the Quality Milk Association
and the Illinois-Iowa Milk Producers' Association

1. Delete in Sec. 944.4(a)(1) the figure "\$2.40" and substitute therefor the figure "\$2.88"; delete the figure "\$1.93" and substitute therefor the figure "\$2.21."

Delete in Sec. 944.4(a)(2) the figure "\$2.10" and substitute therefor the figure "\$2.38"; delete the figure "\$1.63" and substitute therefor the figure "\$1.91"; or (as an alternate proposal) calculate the class I price by means of a formula based on the evaporated milk code price plus a reasonable premium.

Delete in Sec. 944.4(b)(1) the phrase "\$1.80 per hundredweight" and substitute therefor the following, "Class III price plus 60 cents per hundredweight"; delete in Sec. 944.4(b)(2) the phrase "\$1.50 per hundredweight" and substitute therefor the following, "Class III price plus 30 cents per hundredweight."

2. Delete in Sec. 944.7(b)(5) the word "base."

3. Add to Sec. 944.8(f)(3)(i) the following: "Provided, further, That any member of the producer's family may be named as the base holder for the purpose of transfer, but in no case may there be more than one base allotted to one farm."

4. Provide a definition of producer-handler; define the method to be used in converting butterfat used in Classes II, III, and IV to milk equivalent.

Amendments proposed by the Dairy Division:

1. Revise Sec. 944.4(d) in order to secure a price comparable to the manufacturing value of such milk.

2. Delete in Sec. 944.10 line 5, the figure "2" and substitute therefor the figure "3".